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JPRS Report

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(Sub-Sahara)

Africa

(Sub-Sahara)

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OAU Convenes Experts To Harmonize Shipping Policies

34000626a Lagos *BUSINESS TIMES* in English
2 May 88 p 24

[Text] African Liner Transport experts are meeting this week in Addis Ababa, Ethiopia to draw up the continent's proposals for the UN Conference on Trade and Development (UNCTAD) code review negotiation coming up in November.

This meeting is at the instance of the Organisation of African Unity (OAU), to ensure that the various shipping policies of African countries are harmonised and presented as one at the November review negotiations.

Nigeria is to be represented at the Addis Ababa meeting by Mr Kingsley E. Usuh, the executive secretary of the Nigerian Shippers Council.

The UNCTAD cargo sharing formula of 40:40:20 and other clauses in the code, have generated a lot of protests from European Economic Community countries as third world countries take advantage of the formula.

Nigeria recently promulgated a National Shipping Policy as being discriminatory.

Meanwhile, West and Central African sub-region of the Union of African shippers councils has just concluded a meeting in Accra Ghana during which ground work for the summer freight rate negotiation conference coming up later in the year was discussed.

With the downturn in the economies of most African countries, search lights are being beamed on revenue generating areas which hitherto were neglected.

The shipping policies of member countries form the bedrock of the sub-regional policy and the continent's policy would be a fusion of the sub-regional policies.

The maritime trade which has for years been dominated by the industrialised countries, is heading for some changes in favour of the developing nations.

The position of Africa would be taken to the conference of 77 developing countries. This year's UNCTAD code review is a straight fight between the north and south. This time around developing nations want to harmonise their various shipping policies and come up with one that will satisfy averagely the interest of these countries. On their part, the EEC countries, United States of America, and Soviet Union, are also known to be warming up for the November UNCTAD code review conference.

Meanwhile EEC has requested to meet the Union of African Shippers Councils immediately after Addis Ababa meeting of African experts on liner transport. The EEC and UASC proposed meeting has been slated for 9th and 10th of this month.

Although the conclusions of Accra meeting of West and Central African sub-region of UASC were not made public, but *BUSINESS TIMES* did learn that the sub-region would vigorously defend its stand and ensure that the benefits of maritime trade are fairly shared.

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ECOWAS Members' Contributions To Speed Up Projects

34000634a Lagos *BUSINESS TIMES* in English
9 May 88 p 1

[Text] Thirteen member countries of the Economic Community of West African States—ECOWAS—have fully disbursed their quota allocation for the 1988 budget year, sources close to the ECOWAS secretariat disclosed to the *BUSINESS TIMES* last week.

In her own contribution, Nigeria which usually takes the lion share of the community's fund, contributed about N9 million which the fund expects to collect when all members would have paid up.

With this amount, some essential projects in communications such as telecommunications, energy and the construction of roads linking some member countries would have been speeded up this year.

The budget boost will also help to strengthen the works of the secretariat which the executive secretary complained was slackening in quality and the filling of requisite quota of manpower coming from some member states.

It was further hinted that the ECOWAS Bank-ECO-BANK is receiving help from the International Monetary Fund (IMF) which is also helping the community in its forge towards a common currency among member countries.

All these efforts towards a more realistic sub-regional community are the fall-outs of two remote and immediate causes the sub-regional structural adjustment programme being implemented by member states to live up to their financial commitments henceforth at the last ECOWAS summit at Abuja, Nigeria's future capital.

These efforts became apparent when the ADB boss Babacar N'diaye and the then ECOWAS Ministerial Council Chairman Dr Kalu Idika Kalu presented to the authority of Heads of State, a not-very satisfactory report card of the continent's and sub-regional balance sheets in the areas of development.

The current efforts are therefore tuned towards redynamising all the organs of the community's cooperation institutions.

These institutions which are development-oriented cover ECOBANK, the community's secretariat, and technical committees with policies and programmes involved in long term structural adjustment and rehabilitation programmes.

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Financial Difficulties Halt ECOWAS' Telecom Project

34000634b Lagos *BUSINESS TIMES* in English
9 May 88 p 1

[Article by Nduka Nwosu and Mulero Seidi: "ECOWAS Telecom Project Grinds to a Halt"]

[Text] The telecommunications programme of the Economic Community of West African States (ECOWAS) has now grounded to a halt, owing to lack of funds, the *BUSINESS TIMES* has learnt.

According to sources close to the ECOWAS Secretariat in Lagos, the organisation which has already spent more than 32.9 million dollars on the telecommunications projects has now run completely out of funds.

Out of the amount so far spent, \$20 million was given as loans to 11 member-states 12.9 million dollars was given to some member states as loans by the European Investment Bank and guaranteed by the ECOWAS fund.

One of the projects under the community's telecommunications programme is the INTELCOM, the purpose of which is to undertake the completion of Panafrican

Telecommunications Network (PANFTEL) in the sub-region and the connecting of all state capitals to one another by automatic telephone.

Phase I of the project which had started comprises the following liaisons: Lagos-Niamey, Accra-Ouagadougou, Bamako-Abidjan, Cotonou-Ouagadougou, Bamako-Nouakchott, Bamako-Conakry, Dakar-Banjul, Dakar-Conakry and Conakry-Bissau.

Out of these, four lines have been completed and they are: Ouagadougou-Accra, Ouagadougou-Cotonou, Bamako-Abidjan, and the remaining portion of the Lagos-Niamey line which passes through Sokoto in Nigeria and Birni Nkomi in Niger Republic.

When the project is completed, there will be two longitudinal axis: Cotonou-Dakar via Niamey and Bamako and Lagos-Dakar via Abidjan and Conakry. Six transversal lines will go from the longitudinals, to "disenclave" the areas which are not touched by the two major axis.

The other 10 projects under the telecommunications programme are the regional satellite communication, the regional centre for telecommunications, equipment maintenance and spare parts depot, the regional aeronautical telecommunications network and the regional laboratory for testing and standardisation of telecommunications equipment.

Others are the creation of a regional communications school, the telecommunications information bank, a uniform telephone tariff system for the sub-region and a uniform telephone bills payment.

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Possible Coup Plot; Economic Crises Discussed
34190111 Paris L'EVENEMENT DU JEUDI in French
5-11 May 88 pp 88-92

[Article by Pascal Krop]

[Text] On 18 December 1987, armed soldiers suddenly surrounded the office of the Ivorian minister of marine. They carried out a thorough search. In a few moments, Lamine Fadiga, 45 years old, one of President Houphouet-Boigny's heirs apparent saw his brilliant career shattered. The military were particularly interested in the SITRAM (Ivorian Marine Transport Company) bookkeeping records. The minister was also PDG [President-Director General] of that company. As a result of these searches, Fadiga was placed under very close house arrest. He was unofficially accused of having sold Ivorian ships for his own benefit and of having received substantial baksheesh from the SITRAM branches in Europe. His disgrace was officially confirmed when, a few weeks later, Houphouet ordered the purge of the party officials in Touba. Fadiga was deputy-mayor of Touba, a northern town peopled with Muslims.

The whodunit had only just begun. On 31 December, Raphael Konan Yahot, the director of the Hamburg SITRAM office, was discovered shot to death in a recess of the vast port of Abidjan. This former head of the CISA—another marine company—legal department was close to Fadiga. Was it a prowlers' crime? The Ivorian police hardly think so. The "job" was done by professionals. Had they been paid by Fadiga who wanted to prevent his associate from talking? That is what the authorities would like the public to think. As for the investigation, it is making absolutely no headway.

Rumors are growing in the market places of Treichville, Adjame and Yopougon. A sinister plot is said to have been hatched against the "Old Man," Houphouet's familiar nickname; he is officially 83 years old. Fadiga would be its perpetrator. He attended the French Naval School when the current Malagasy president was there. A brilliant officer, this navy captain could no longer stand to play second fiddle. To clear the way, Fadiga is said to have made many contacts in Ivorian economic circles.

That was going a little too fast. Having gotten wind of the situation, the "Old Man" had his young minister watched and he learned that the latter had began the ritual sacrifices in order to succeed him. Houphouet-Boigny, king of the Akoue tribe at the age of 5, trained physician, but die-hard fetishist, took the affront very seriously. The knife fell on Fadiga. A former diplomat commented: "The majority of ministers in the Ivory Coast are corrupted. They have accumulated huge fortunes. The chief of state knows that. His dismissals have strictly political motives, using corruption as the excuse." Henri Konan Bedie, the current president of the

National Assembly, entrusted with preparing the presidential election in case of a vacancy, has learned the lesson perfectly. He follows a straight and narrow path, using the greatest discretion.

On the other hand, two other heirs apparent, who were in too big of a hurry, also tasted the bitter potion. The first one, Philippe Yace, is past history. Former president of the National Assembly and general secretary of the single party, the PDCI (Democratic Party of the Ivory Coast), he could boast of having received the country's largest political prize. Suffering from a heart disease, Houphouet had to go to Switzerland for treatment in 1978. In too obvious a move, Yace immediately took up position as successor. Fatal error! At the seventh 1980 party congress, he was brutally thrust aside. Reason given: He had obviously tampered with party funds. Houphouet reinstated him in 1985 as president of the Economic and Social Council. Emmanuel Dioulo, the extravagant mayor of Abidjan, met with the same fate. A former sub-prefect, a wheeler-dealer, he was one of the rising stars of the African political scene. His close relationship with Therese, the president's wife, was well known. Dioulo, a very clever politician, even had the idea of suggesting to Houphouet-Boigny to make Yamoussoukro, the "Old Man's" native village, the new capital of the country. Unfortunately, Houphouet accepted the project without leaving the former capital. The Abidjan mayor intended to distance the president from the levers of power. But the hour of disgrace now tolled. Dioulo, president of COGEXIM (General Import-Export Company), specializing in coffee and cocoa trading, was accused of having embezzled 25 billion CFA francs. The mayor of Abidjan fled to Europe in 1985. Magnanimous, the president pardoned him. During a trip to Europe, he brought him back to the country in his personal plane. Dioulo being politically dead, the president could afford to forgive him.

As a wise crocodile, the "Old Man" always sleeps with his eyes opened. The removal of Tunisian President Bourguiba last autumn impressed him, and many Africans, tremendously. Since then, not only in Abidjan but also in Paris, many rumors have been casually circulated about the state of his health. Much was written about his recent cataract operation, to be soon followed by another. Quite recently, an American diplomat warned the French government that "he was in a very bad state." The Washington emissary added: "His budget minister was unable to see him for several months, which blocked any negotiation on the debt."

The answer from Paris was: "Several of our ministers, Herve de Charette among them, recently traveled to the Ivory Coast. They met a tired, but perfectly clearheaded, president." Clearheaded and as crafty and suspicious as ever. In December, without any official explanation, Houphouet fired Colonel Zeze Baroan, the army chief of staff. A few days later he ordered the reorganization of

the presidential guard. Even better, he secured the help of our "national gendarme," Paul Barril, to keep an eye on the Ivorian dissidents judged too active.

Is this a Bourguiba syndrome? Yes, but with some justification, for the Ivory Coast is in bad shape. Unrest is lying dormant among the young people. Houphouet told the SYNECSI (National Secondary School Teachers Union) teachers' union, which opposed him last autumn: "Between disorder and injustice, I will not hesitate to choose injustice." In this country where political freedom does not exist, several union leaders were immediately sent to Yagon, the Abidjan civilian jail. At the trial of these unionists, wrongfully accused of embezzlement (it must obviously be a mania!) by Minister of National Education Balla Keita, the district attorney was ordered to demand the smallest sentence. Even the policemen present booed when the verdict, although lenient, was received. The time seems remote, when the "Old Man," accompanied, to be sure, by the Ivorian singer Alpha Blondy, a national star, could receive an ovation from a stadium full of delirious young people.

The country hit to the fullest by dropping coffee and cocoa prices the world over is having a difficult time recovering. Forest resources are practically exhausted: Only 7 percent of the wood is still workable. The fallback on other productions, rice and corn, earmarked for the domestic market, is not yielding the expected results. In the large towns, the unemployment rate has now reached 40 percent: The BTPs are in a free fall and the trend for the production of capital goods is down. To be sure Abidjan—the mirage and, above all, the distorting mirror, with its wide avenues, its majestic bridges, its buildings and its residential neighborhoods—remains the uncontested showcase of French-speaking Africa, and it continues to deceive. For how much longer? It is better to swoon before the gigantic skating rink of the Ivory Hotel than to lose oneself in the hospitals of the town. Furthermore, journalists are forbidden to visit. One of the officials of the Cocody CHU [University Hospital Center], where basic supplies, such as cotton or ether, are sorely missing, answered us: "Lack of a prestigious image." The public health budget gets regularly cut down.

Who is to blame? A dissident sighs: "The barons of the Houphouet system. There is not a single minister who is not pilfering funds. Even the 'Old Man' who, for years, used social security money to finance his large projects. It is very well known that Minister of Transport Aoussou Koffi is an unscrupulous business man. He has swindled everybody, but he is the president's cousin. Everybody in Abidjan knows the story of Houphouet's suitcase. The customs agents intercepted a man who was trying to take a suitcase filled with one billion CFA francs out of the country. Questioned, the thief refused to give the name of the minister who was employing him. Houphouet had therefore asked, right in the middle of a Council meeting, to whom did the suitcase belong. The ministers were sheepish." It does not take much walking in the capital to

notice the scope of the corruption. Policemen stop you at crossroads, without motives, in the hope of receiving a little baksheesh. In the Abidjan main post office, telephones get miraculously out of order and the size of the bill is determined by the customer's appearance. Telephone complaints in the capital keep pouring in. Hoping to earn some extra cash, PTT [Postal, Telephone and Telegraph Services] employees by the dozens tap telephone lines to enable friends or customers to telephone abroad. Several Frenchmen have received bills amounting to several million old francs.

The small frauds are only the tip of the iceberg. There is also truly organized smuggling. By containers full, all sorts of goods, such as cassettes, radios, electrical appliances, shoes, cars and alcohols, are smuggled into the Ivory Coast. The Abidjan airport and port truly let everything through. Customs agents become very wealthy, a normal situation. The approximately 800,000 members of the Lebanese community control all the traffic, and even more. Distribution is entirely in their hands. The Lebanese even tried to buy, at less than the official rates set by governmental decree, coffee and cocoa from the farmers. Houphouet intervened and the situation was straightened out. For the rest, the Lebanese make the law, with the benevolent complicity of employees on the make. Because of this fraud, a dozen or so of small and middle-sized Ivorian companies, specializing in textile, shoes and overall capital goods, were forced to shut down. According to customs, the state is sustaining a loss of 100 billion CFA francs, 10 billion of which for the Abidjan airport alone, where cargoes stuffed with the goods of the Middle East Airlines, a Lebanese company, are not undergoing any kind of control. A colossal lack of revenues for a nation so deeply in debt! The AFRICA INTERNATIONAL monthly recently reported on the smuggling situation. Its conclusions about alcohol are beyond belief. The magazine states: "According to figures released by Great Britain, British distilleries exported to the Ivory Coast 106,000 cases, 12 bottles to the case, of many brands of whiskey. According to the statistics released by customs, 361,000 bottles, or 30,000 cases, were imported from the United Kingdom. There are therefore 76,000 cases that left Great Britain for the Ivory Coast and were not declared to customs. At the rate of 313,200 francs per carton, in duties and taxes, it is therefore close to 24 billion CFA francs that were not collected by the state." Elementary, no?

On many occasions, the French government, the International Monetary Fund and the World Bank asked the "Old Man" to deal severely with this endemic fraud, accentuated further by the fact that the Lebanese pay practically no taxes. The "Old Man" answered: "If I created a casino forbidden to the Ivorians (implying, visited only by Lebanese) in the residential quarter of Cocody, it is precisely to recuperate the thieves' money." In the face of such pragmatism, the experts apparently remained speechless.

Don Cesareo: The Country's Strong Man

The Ivorian officialdom hates him as much as it fears him. Antoine Cesareo, a 57 years old French engineer, the builder of the Frejus tunnel and head of the Administration for the Control of Large Projects, is the country's strong man. The "Old Man" is in the habit of saying: "He is the only one whom I trust. As long as I live, I will give him everything." Absolute sign of this friendship: Houphouet-Boigny entrusted him with his most megalomaniac project, the building of the Notre-Dame-de-la-Paix basilica in Yamoussoukro. It is a larger copy of Saint Peter in Rome, with some 18,000 seats! It is said that the cost will amount to 200 billion CFA francs. It is a surrealist project, like, it must be added, this whole unreal lunar town, with its 15,000 lights, burning day and night, and its 14 triumphal roads (with a width ranging from 20 to 45 meters), where one can walk for hours without meeting a soul. The President Hotel, the Party House and the Houphouet-Boigny Foundation are empty. Movie director Tati would love

these huge phantom vessels. For the "Old Man's" sole pleasure, Cesareo built 240 kilometers of highways around the new capital. Only the cars are missing.

Don Cesareo is not responsible for this madness. He obeys, that is all. Better still: His integrity undoubtedly resulted in savings worth billions to the Ivory Coast. Before his arrival at the Great Projects, one kilometer of highway, or asphalted road, cost double what it costs today. Reason: The ministers were lining their pockets. One industrialist said: "When Houphouet understood what was going on, he substantially expanded Cesareo's authority. For example, he was entrusted with road maintenance which, until then, had been under Minister of Transport Aoussou Koffi. I will not tell you how much money was thus saved; today, Cesareo has more power than a minister." Since then, the engineer has barely escaped several attempts on his life. In the Ivory Coast, integrity has become dangerous.

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**Joint Chinese Cooperation To Fight
Desertification**

*Yaounde, CAMEROON TRIBUNE No 4132 in French,
8-9 May 88 p 22*

[Text] Last Sunday, according to official Malian sources, Chinese Minister of Agriculture, Animal Husbandry and Fishing He Kang completed his official 6-day trip to Mali during which time he was received by President Moussa Traore.

According to the same source, He Kang visited several agricultural projects that are part of the battle against desertification in Tombouctou (north of the country),

Mopti (central), Sikasso, Koutiala and Segou (south). He was accompanied by Malian Minister of Agriculture, Moulaye Mohamed Haidara.

In Segou the Chinese minister visited farming land and a sugar complex built with the assistance of Peking. This factory produced 18,084 tons of sugar in 1987 and forecasts for the current year are over 20,605 tons.

Kang also discussed a project to create a green belt in northern Mali which is very affected by the dryness. A Chinese team is currently working in Mali with the assistance of local specialists on the struggle against desert encroachment.

Modern Methods of Contraception Authorized
Niamey LE SAHEL 13 April 88 p 5

[Text] In accordance with Ordinance No. 88-019 of 7 Apr 1988 the use of modern methods of contraception is authorized in Niger. Contraception is defined as any voluntary action to regulate fertility by natural, medical or surgical means.

Reversible methods are authorized as follows:

- all adults; minors must have the authorized consent of their parents or legal guardian;
- all mentally handicapped with the advice of a doctor.

Irreversible methods or sterilization are permitted only as follows with the consent of the individual:

- women over 35 years of age having at least 4 living children;
- if pregnancy could threaten the woman's life;
- males having at least 6 living children.

The above requires the written consent of the individual. Married persons must have the written consent of their spouse.

All violations will be handled in accordance with the code of ethics and the penal code. All former measures contrary to this ordinance especially the law of 31 July 1920 are repealed.

Medical personnel and paramedics are authorized to apply reversible or irreversible means of contraception as follows:

- hormones by injection or orally;
- diaphragms, spermicides, condoms;
- tubal sterilization, or tubal ligation (barrier methods);
- vasectomy, inter-uterine devices (IUD)

The above can be obtained from doctors, midwives, technicians and medical assistants, and nurses having the proper training and certification. These people are also authorized to prescribe and insert inter-uterine devices. A medical prescription is not necessary for diaphragms, spermicides and condoms.

Alleged Oil Sales to RSA To Be Investigated
34000635b Johannesburg THE CITIZEN in English
16 May 88 p 4

[Text] Lagos—The military government will investigate reports that oil produced here is being sold to South Africa, it was reported yesterday.

The independent newspaper, THE GUARDIAN, quoted a government official as saying: "The issue of selling Nigerian crude oil to South Africa is viewed with grave concern by the military government."

The official said: "At a point in time when the military government is battling on the diplomatic front to further isolate South Africa, revelations that Nigerian crude oil is getting to South Africa must be seen as damaging to our collective efforts to eliminate apartheid."

There were allegations last month in the U.S. Congress that two oil companies operating in Nigeria were selling oil to South Africa through middlemen at prices above the Opec benchmark.

Meanwhile, Equatorial Guinea has assured the Nigerian government that it has expelled five White South Africans, whose presence Nigeria said undermined security in the region.

Equatorial Guinea said the South Africans were working on an agricultural project. But Nigeria has expressed fears they could be spies set on sabotaging its vital offshore oil exploration within 20 minutes flying time of Malabo, the island capital of the tiny state of Equatorial Guinea.

The VANGUARD, an independent newspaper, said news of the expulsions came in a letter delivered on Thursday to Nigeria's Foreign Ministry from the government of Equatorial Guinea.

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Iranian Religious, Political Activities Profiled
34040003 Kuwait AL-MUJTAMA' in Arabic
12 Apr 88 pp 18-19

[Article: "Iranians Chose Nigeria To Gain Mastery over Black Continent"]

[Text] The activities in which Iran has been engaged on African territory may very well be among the reasons for this report. Iran has been using a variety of means to carry out its objectives in Africa, and it has been describing those activities by using many terms, such as educational, religious, and cultural missions. Nigeria, which is considered one of the largest countries stirring Iranians' interest at this time, could be used as an example of

Iran's activities in the entire African continent. In addition, reliable reports indicate that Iranians are considering preparations to turn Nigeria into a staging area which they can use to gain mastery over the entire Black Continent.

This report, despatched to us by our correspondent in Africa after touring Nigeria, contains information which can make that matter clear to readers.

Preface

There are approximately 125 million persons in Nigeria, and more than 80 percent of them are Muslims. Many young Muslim men who make up part of this large majority went to Nigeria to pursue graduate studies. That is due to the fact that Arab universities closed their doors to these students. This is especially true this year, in 1988, with recent statistics indicating that the number of Nigerian students in Iran amounted to 2,443. Statistics also show that Iranians promoting Iranian doctrines in Nigeria now are too many to count. These people are involved in a very large number of large projects. Their activities are considered dangerous to Nigeria's Muslims in general and to future generations in particular.

Iranian Cultural Activities Manifest Themselves in the Following:

1. Iranians in Nigeria are taking over Muslims' mosques by relying on a variety of methods. They refurbish many mosques and build homes for some of the imams. They also pay the imams' monthly salaries and give them valuable gifts, such as luxurious cars. Iranians do that to make these imams do the Iranian government's bidding and promote its doctrines and its methods.
2. Iranians in Nigeria built many schools and opened libraries. They furnished these libraries with books which promote Iranian doctrine and philosophy.
3. They assigned the task of promoting Khomeyni's principles in Nigerian territories to many teachers and imams.
4. They opened main offices for their activities in each one of Nigeria's provinces, and they established a general administration in the capital city of Oyo Province. This administration, which is managed by a Nigerian national, has the following divisions:

—A Students' Affairs Division awards scholarships to students in Nigeria and abroad. This year the General Administration awarded approximately 2,443 scholarship grants to Nigerian students. It distributed these scholarships and sent the sons of Nigeria's Muslims to Iran to continue their Islamic, cultural and technological studies. At the same time Arab countries closed their doors, refusing to admit foreign students into their universities.

Arab Universities' Passive Position

Many African students who were not accepted by universities in Arab countries went back to their countries without completing their studies. They contacted the Iranian Embassy in Nigeria immediately after their return and submitted applications indicating that they wished to complete their studies in Iran. It was extraordinary that their applications were approved by the Iranian Embassy in a matter of 2 weeks, and they were offered free tickets to travel to Iran. Upon arrival each student finds what he wants: he finds himself enrolled in the university he wanted and in the department he wanted. Every student gets what he wants whether he goes to Iran for his education or elsewhere outside Iran, even in Europe. The student receives his scholarship grant from the embassy, and, as a result of that, students receive their graduate degrees in 4 years.

Nigeria's Attitude Toward Iran's Activities

On the other hand, we find that the Department of Internal Affairs for Students of Nigerian Universities and Islamic or Government Institutes makes getting scholarship grants from the government of Iran much easier. If we look carefully, we will find that Nigeria now has 23 universities. Oyo Province alone has two: the universities of Ibadan and Ife. Whereas the population of Oyo Province is approximately 8 million persons, the population of Nigeria amounts to 125 million. That is why Iran has an office in each province, and each university has an Iranian representative overseeing the students' union at that university. That representative has his own private car which he uses to disseminate Iranian-style principles and directives.

All these activities gave Iran a major opportunity to penetrate Nigeria and to win over Muslims there. And now, Khomeyni's picture hangs on the walls in students' homes and in many of their residence halls.

Iran also sent books in both the English and Arabic languages for the various stages of education: elementary, intermediate, and secondary. It also sent books for graduate studies. In addition, it pays the fees which are due on these books to provide for easy delivery at the port in Nigeria.

Iran has also designated a special administration in the Nigerian capital to handle the affairs of university graduates, who can file their applications to enroll in graduate schools and doctoral programs without being subjected to inconvenience or hardship. For example, there are now 53 students, just from Oyo Province, who are presently engaged in graduate studies in London. That represents the number of students from one province only who are studying at Iran's expense. One has to wonder how many students in Nigeria are studying at the Iranian government's expense when we consider that Nigeria has 22 provinces.

But the Iranians did not stop there. They frequently got to a few people who already have their doctorates, and they got to university professors in Nigeria. They showed them with valuable gifts, such as luxurious cars and other innumerable objects.

But Iranians, whose activities are currently based in Nigeria, are plotting an attack against all of Africa. They will launch that attack from that country which has 125 million persons. Why else would they be involved in all this planning, all this expense, and all this follow-up in Nigeria?

Preachers Facing Obstacles

Confronted with such broad activities by Iranians in Nigeria, Muslim preachers have to do what God Almighty said. "Let there become of you a nation that shall speak for righteousness, enjoin justice, and forbid evil" [Al-'Imran: 104]. Many obstacles, however, stand in the preachers' way, and these may be summarized as follows:

1. Material capabilities, particularly means of transportation, constitute the first obstacle. For example, the cost of leasing a car for 2 days only amounts to approximately 50 Kuwaiti dinars. This is a problem which every Muslim preacher or devoted Muslim institution in Nigeria faces.
2. The number of Africans, specifically Nigerians, who graduated from Islamic universities is small. They are the only people who can preach the word of Almighty God in Nigeria and counter Iranian activity there.
3. The number of modern societies supporting Iranian doctrine is growing.

Suggestions

After this review of Iranian activities in education, the following suggestions have to be considered:

1. Contributions must be made to provide scholarship grants to the sons of Africa's and Nigeria's Muslims to keep them from continuing to look for grants from Iran. These grants are currently available. The state of Iran awarded approximately 2,443 scholarship grants for the 1987-1988 academic year.
2. This issue is to be set forth to ministries and universities in both Arab and Gulf countries so that scholarship grants can be allotted to Islamic societies and organizations in Nigeria. For example, such grants can be allotted to the Islamic Society for Promoting Islam and Guidance in Oyo; to the Islamic Center of Nigeria, which is headed by an envoy from Kuwait's Ministry of Awqaf; the Islamic Victory Society in Kaduna Province; the League of National Schools in the city of Iwo in Oyo Province; the Islamic Organization for Education and the Promotion of Islam in the city of [Ituruhukihu?] in Oyo

Province; the Champions of Religion Society in Lagos; the Religious Reform Society in Nigeria; and to the Alliance of Young Muslim Men in Ibadan.

3. Muslim preachers and teachers must be assigned to these activities to which they must devote their full-time efforts. Their monthly or annual salaries are to be paid in full, and the necessary vehicles (buses) are to be purchased to transport preachers and students who would spread the Islamic faith and the proper tradition of the prophet.

4. Adequate financial assistance is to be offered to implement the projects of Islamic societies and institutions. This would bring about the Islamic goals which are being sought and turn people away from accepting Iranian assistance.

In conclusion we say this: Muslims everywhere must act before it is too late. They must act to solve these problems which are spreading in Africa and elsewhere. Let all Muslims act according to what the prophet, may God bless him and grant him salvation, said: "Muslims are brothers unto each other."

08592

Government To Issue Decrees on Corruption, Fake Drugs

34000636a Kaduna *NEW NIGERIAN* in English
20 Apr 88 pp 1, 5

[Article by Joshua Jaja, Lagos]

[Text] The Minister of Justice and Attorney-General, Mr. Bola Ajibola, has said the Ministry of Justice is considering a decree which will make it possible for a giver of bribe to sue the receiver in court.

The minister disclosed this yesterday while receiving members of the Pharmaceutical Society of Nigeria in his office in Lagos.

He said when the decree is promulgated, it would enable the law enforcement agencies to know the roots of corruption in the society and find a lasting solution to it.

The minister further said the time had come to expand the requirement for declaration of assets to include assets acquired in a private life.

He stressed that there should be a law on unjust enrichment, adding that such a law would compel people to explain the source of their wealth.

Mr. Ajibola lamented the wave of corruption in the society which he said had reduced the prestige of Nigeria as a country, adding that it was a cankerworm which had eaten deep into the fabrics of the society to which a lasting solution must be found.

Mr. Ajibola said the decision to reform the existing laws was well founded and pointed out that most of the laws we had been operating were left behind by the British colonial masters, adding that the reformed laws would reflect the cultural, social, dynamism and uniqueness of the country.

The minister stressed that it was better to delay a good law than to rush it and produce a bad law which would be an impediment to the life of the society.

He told the Pharmaceutical Society of Nigeria delegates that the Federal Government was equally worried about the situation of drug abuse in the society.

He said it was disheartening that most deaths were caused through the use of fake drugs sold at unauthorised chemists, clinics and medicine stores.

He assured them that a decree would be promulgated to take care of the illegal pharmacies and the manufacturing of fake drugs.

Earlier in his address, the president of the society, Chief Bayo Ogunyemi, had lamented the increase in fake drugs in the country.

Chief Ogunyemi said the situation was worse than when the President pledged to promulgate a decree on drug abuse, adding that drugs had been converted to ordinary commodities of commerce which were open to anyone to handle, manufacture, sell and distribute without regard for safety of life.

He called on the Federal Government to promulgate a decree which would set up a task force that would speedily try cases of manufacture and sale of fake drugs.

Chief Ogunyemi appealed to state governments to stop the indiscriminate issuance of patent medicine licence.

/6091

FMG Fires 200 Senior Customs Officers in Smuggling Probe

34000636b Kaduna *NEW NIGERIAN* in English
6 May 88 pp 1, 3

[Article by Ibrahim Biu, Abuja]

[Text] The Federal Government has expressed grave concern over the increasing wave of smuggling activities which have continued unabated throughout the country despite the recent reorganisation of the Customs and Excise Department.

More than 200 senior officers of the department were removed in the recent reorganisation.

Addressing an emergency meeting of senior officers of the department in Abuja yesterday, the Director-General of the Ministry of Internal Affairs, Alhaji Dahiru Mohammed, said activities of smugglers have persisted with the connivance of some customs officers and other security agents.

He said it had remained a matter of grave concern that even where border-posts and check-points were known to exist, smugglers had managed to carry out their nefarious activities which he said had questioned the integrity of customs officers, adding that allegations of connivance between smugglers and customs officers had thwarted all efforts to solve the problem.

The director-general said this situation if not arrested quickly would undermine the efforts of the present government and become a national disgrace.

He said the Customs, Immigration and Prisons Services Board under the chairmanship of Colonel John Shagaya, had directed all senior officers of the department to work out strategies which would curb the menace of smugglers across our borders and the board should submit report to the ministry on the issue soonest.

He said in the face of uncertainties in the world oil market, much more was expected from the customs and excise and that it was because of such reasons that the government flushed out bad eggs and injected new blood into the organisation with the hope that there would be a change of heart.

Government, he said, demonstrated its commitment to the eradication of the nefarious activities of smugglers when it recently approved the allocation of aircraft, helicopters, boats, vehicles and communication equipment to the department.

He said due to the continued activities of smugglers, all customs officers should re-examine themselves and use their experiences to contain the situation.

/6091

LNG Export Project To Begin in 1995
34000627b Lagos DAILY TIMES in English
4 May 88 p 20

[Article by Yemisi Fadairo: "Gas Export Begins 1995"]

[Text] Federal government is committed to ensuring that the country's natural gas is fully processed for export to European markets in 1995.

Petroleum resources minister, Alhaji Rilwanu Lukman, said in Abeokuta at the just concluded PENGASSAN' delegates conference that the government would achieve this through the Liquefied Natural Gas (LNG) project.

The project (LNG) is being carried out by Nigerian National Petroleum Corporation (NNPC) in joint ventureship with Shell Petroleum, Agip Oil and Elf.

Equity interests were allocated to the joint venture partners following the signing of a framework agreement by the prospective partners in November 1985 as follows: NNPC representing the the government, 60 percent, Shell, 20 percent; Elf 10 percent and Agip 10 percent.

However, the manager of the LNG project, Mr E. I. Onyia, said that studies and markets investigation extended to the United States, Japan, Brazil and Western Europe indicted that of the potential gas markets, "West Europe offered the best prospects for a Nigeria LNG at this time."

Western Europe as a whole is currently in "an over-supply situation." This is expected to persist throughout the remainder of the 1980's and in the major countries, through to the early mid-1990's.

Beyond the mid-1990's, published data and direct contacts with buyers indicate potential scope in most countries for additional supply.

Existing and planned LNG reception terminals in Western Europe, will have the capacity between them to absorb comfortably, the planned volumes from the Nigeria LNG.

Dr Onyia said "Although there exists other supply sources of gas to Western Europe, like USSR, Norway and Algeria it is believed that Nigeria could obtain a fair share of this market by direct competition because of these reasons:

—Nigeria is well located compared to these other potential suppliers and does not have to surmount any major natural obstacles like canal passages, ice breaking, and off-shore production.

—Nigeria LNG has the backing of substantial gas reserves which will be available to increase production in later years.

—The federal government has, as a partner in this business, three of Europe's best established and largest oil companies all with extensive experience in LNG industry and full involvement in production and marketing in Nigeria, Europe and other parts of the world.

/12232

NEPC To Boost Non-Oil Export Trade

34000635a Kaduna *NEW NIGERIAN* in English
26 Apr 88 p 16

[Article by Edet Charles: "Export Council Plans To Salvage Declining Non-Oil Trade"]

[Text] The Nigerian export Promotion Council (NEPC) has announced a new strategy to arrest the current decline in the country's non-oil export trade brought about by a drastic fall in the prices of primary commodities in the world market.

One of the measures planned by the council to salvage the situation is to encourage export of semi-processed and manufactured made-in Nigeria products.

The council's assistant director, Alhaji Yakubu Abdulazeez told the *NEW NIGERIAN* in Lagos that Nigeria planned to hold a sole trade exhibition in Tokyo, Japan, in July this year to sell made-in Nigeria products to the outside world.

According to the assistant director, 10 Nigerian companies are billed to participate in the exhibition at which a number of products will be displayed including textiles, body cream, petro-chemicals and plastic products.

The council will also display Nigerian products at five other international trade fairs this year in Zambia, Zaire, West Germany, South Korea and Senegal.

Commenting on Nigeria's declining export trade, the assistant general manager, trade and correspondent banking division of ICON Limited. (Merchant Bankers), Mr Christopher A. Udoh observed that the drop in our exports was only in the price, not in the tonnage, and suggested a way out.

He said, the country should set up a Commodity Exchange Market (CEM) which would be opened to the entire world. "Anyone who wants our agricultural produce would have to come to our exchange market here in Nigeria and buy it, instead of going to markets in Europe to buy Nigerian produce."

Mr Udoh said such a commodity exchange market should be equipped with storage facilities and warehouses for storing holdbacks or reserved stocks for equitable distribution of prices and goods.

/12232

FEM Auctions Yield \$3.36 Billion in 16 Months

34000626b Lagos *DAILY TIMES* in English
2 May 88 pp 1, 12

[Text] Proceeds realised from the official funds of \$3.362 billion sold during the first 16 months of FEM operation (September 1986—January, 1988) totalled N13.396 billion.

Compared with the amount realisable through the first tier rate, the net increase attributable to FEM was about N7.311 billion.

These facts were given by the assistant director of foreign operation at the central bank, Mr R.A. Olukole in a paper delivered at a course on foreign exchange operations organised by the financial institutions training centre.

Total demand for foreign exchange for the period amounted to \$4.068 billion as against the N3.362 billion actually sold.

The banks got a total of \$4.791 billion within the 16 month period from both the Central Bank (\$3.362 billion) and other sources (\$1.429 billion).

The other sources are non-oil export \$686 million, invisibles, \$293 million, invisibles, \$293 million and others \$449.19 million.

On the exchange rate movement, Mr Olukole said that the present position which gives an aggregate percentage allocations of about 121.5 percent for all the participating banks is critical as it leaves between seven and nine banks unsuccessful at every bidding session and tend to push up the exchange rate against the naira because of the scramble to win.

A downward revision of the ceilings to bring the aggregate to about 101.75 percent, was suggested to reduce competition among banks, allay the fears of most losers and baring down the rate in favour of the naira.

/12232

NNPC's New Pricing Policy To Make Products Competitive

34000627c Lagos *DAILY TIMES* in English
6 May 88 p 24

[Article by Timothy Okorocho: "NNPC Introduces New Pricing Policy"]

[Text] The Nigerian National Petroleum Corporation (NNPC) has introduced a new pricing policy which will ensure that its products remain competitive both in local market and in the international export markets, Dr D. K. Aghaizu of the NNPC Port Harcourt, has said.

He said the price stabilisation will affect poly propylene (PP) carbon black (CB), Liner Alkyl Benzene (LAB) Kero Solvent (KS) Heavy Alkylate (HA) and a host of others.

Dr Aghaizu who sent a paper read on his behalf by Dr P. C. Nzelu at a quarterly luncheon of the Nigerian Marketing Association (NIMARK) in Lagos on Wednesday,

however, said that "product prices for local industries should be such that will discourage them from importing identical products, thereby justifying the establishment of the plants.

Dr Aghaizu pointed out that after the NNPC had ascertained the distribution trend of the end-users and the peculiar nature of various products, it evolved a new philosophy of marketing strategy.

He stressed that for some products such as poly propylene with a yearly production metric tonnes of 35,000, whose local supply fall short of national demand, NNPC would deal directly with established processors.

The engineer noted that carbon black which is produced in excess of 18,000 tonnes a year has posed a "mixed grill" in dealing directly with both carbon black processors and ordinary marketers who in turn sell to end-users.

He, however, explained that Benzene and Kero Solvent are handled through well-known marketing companies with suitable facilities for lifting and distribution, adding that the overall commercial approach was a customer-oriented relationship.

Dr Prince C. Nzelu of the NNPC Business and Industrial Development Department of the petrochemicals, said the main thrust of the Nigerian petrochemical development hinged on the phase II petrochemical complex planned for Eleme near Port Harcourt.

The completion would enable the complex with sophisticated products such as Ethylene, Butene, ethylene glycol, vinyl, chloride monomer (VCM) and polyvinyl chloride (PVC).

/12232

Steel Industry Said To Lack Working Capital, Raw Materials

34000627a Lagos DAILY TIMES in English
3 May 88 p 18

[Article by Ngozi Ikeano: "Working Capital Nightmare"]

[Text] There is no gainsaying the fact that our steel firms have as yet not contributed their maximum quota to the nation's development. Evidently the reason by and large revolves round the fact that they are not operating at optimum capacities.

Various reasons are given why this is so. Some of the constraints can be said to be 'teething' problems which a developing country embarking on such strategic and years of operation, hence part of the learning process. Nevertheless, some others are unique to the nation. For example, the steel companies complain of high prices of which they argue they should enjoy concessional rates.

Comments DSC's general manager, Tachia Jooji, "...NEPA has not granted us concessional bulk consumer status and NNPC is charging us rates that completely belies the intention of setting up the steel plant near the Ughelli gas fields in order to utilise otherwise flared natural gas." And Ajaokuta Steel Company's (ASC) chief, Mogaji Inuwa remarks: "The present electricity charges by NEPA are unlikely to encourage the fledgling steel industry."

Energy costs make up some 16 percent of DSC's total production costs and this it is gathered is about 10 times higher than what obtains in other steel producing nations "with similar backgrounds and economies." [sentence as received]

The steel plants are charged 6.5 kobo per KWH for the first 50,000 KWH, 6 kobo per KWH for the next 100,000, 5 kobo for the next 850,000 KWH for 4 kobo for the next 1,000,000 KWH and at 60 kobo per 1,000 cubic feet of untreated gas it is noted that it is the costliest among the world gas producers.

A related complaint from the steel plants is NEPA's frequent power cuts which does grievous harm to their equipment.

ASC has its own independent source of energy—the Thermal Power Plant and Turbo-blower station which has a generating capacity of 110 megawatts. However, this only services half of its needs and it still requires NEPA's supply for some 50 percent of its operating units. Indeed ASC is projected to become the biggest energy consumer nationwide when in full production.

Also, the DSC at full capacity utilisation is envisaged to consume as much as 60 percent of total power consumption of the Lagos metropolis. Hence it is planning its own independent power supply source—the Captive Power Plant—which its general manager says needs government support to materialise.

Transportation is another hindering factor as a lot of money is spent on affreightment due to inadequate means of moving heavy equipment and raw material inputs to the steel plants. It is learnt that DSC affreightment costs would be reduced by some 650 percent if the Warri-Escravos shipping channel is dredged to enable it [to] accommodate larger ships of 10 metre draft.

In the case of ASC, transportation of most of its equipment and raw materials which is described as "a major problem" is done by road. However there are plans for use of water transportation from Onne ocean terminal to Ajaokuta and from Lokoja to Ajaokuta. This involves dredging and training of the creeks from Onne port to Onyia. A jetty is also planned for Lokoja for transshipment of some raw materials.

First phase of a river port complex, it is learnt, has been completed while the second and larger phase is to commence soon.

However, ASC's chief comments: because the River Niger is not navigable throughout the year and because of poorly developed rail links and the shelving of the standard gauge rail line project that would have linked the eastern sector of the economy to Ajaokuta, road transportation will be depended upon for supply of most local secondary raw materials."

A key problem facing the steel plants and which indeed has been a recurring one of our industries in recent times has been inadequate operating funds—working capital. The problem is compounded by depreciations of the Naira which subsequently has astronomically increased prices of imported machinery and materials. The steel industry being a heavy one, has to import a good portion of its equipment and spares. It also uses large quantities of various types of raw materials, consumables some of which are not got locally.

For example, the ASC needs the following major raw materials yearly: 2.3 million tonnes of iron ore, 11.4

million tonnes of coking coal, 595,000 tonnes of limestone, 268,000 tonnes of dolomite and 88,200 tonnes of manganese ore. Others include: 13,600 tonnes of bauxite, 59,000 tonnes of refractory clay, 290,000 tonnes of steel scrap, 22,100 tonnes of ferro-alloys and 2,000 tonnes of aluminum pigs. Though most of the plant's raw material needs are sourced locally, others like coking coal, bauxite, aluminum, ferro-alloys and manganese ore have to be imported.

Due to inadequate funding the steel plants have not been producing at optimum levels. For example DSC's production of liquid steel dropped from 243,983 tonnes in 1985 to 136,552 tonnes last year. It is learnt that the ASC would need a yearly working capital of N150 million to enable it [to] operate at optimal capacity.

DSC plans to augment its funding by borrowing from the banks. Its general manager hopes that a breakthrough will be made in that direction soon. It has in fact been suggested that the steel companies' equity base be restructured to make it easier for them to approach financial houses for loans.

/12232

POLITICAL

Journalist Visits ANC Headquarters in Lusaka; Describes Organization

Casual Security Noted

34000623a Johannesburg THE WEEKLY MAIL in
English 29 Apr-4 May 88 p 6

[Text] How does one find the secret headquarters of the ANC? Just Ask.

Despite attacks on their members, the ANC is remarkably casual about security.

To find the secret headquarters of the South African government's greatest underground enemy, ask any of the drivers of Lusaka's decrepit green taxis.

The driver is unlikely to suspect you of leading a "Z-Squad" assault on the decaying building called ANC headquarters. He will probably be more concerned with whether you are carrying dollars or even rands and would be interested in parting with them at black market rates.

And when you arrive at the building—in the centre of Lusaka, down a litter-strewn alley and behind rickety metal gates—the chances are no-one will ask you who you are and what you want there.

ANC headquarters, reminiscent of a 1950's post office in dire need of a coat of paint, is relaxed, with a friendly, welcoming atmosphere.

This is the level of ANC "security"—just 3 weeks after the assassination of a leading cadre and the attempted assassination of at least one other, shortly after stories that a South Africa "Z-Squad" is hunting down the organisation's leaders.

This "laxity" is partly just appearance; there was certainly going to be no show of guns for a visiting journalist. In fact, the ANC was particularly sensitive about a WEEKLY MAIL report earlier this year that suggested some of the senior members were discreetly carrying handguns.

One soon discovers "headquarters" is that in name only. A small, dingy building, it houses no more than a few leadership figures and the Department of Information and Publicity. Top ANC figures certainly pop in and out of there at regular intervals, but the ANC has dispersed itself around Lusaka.

This decentralisation is partly the result of the extraordinary growth of the ANC's structure and the proliferation of departments and bureaucracy in the last few years. But it is reasonable to guess it is done for security as well.

ANC headquarter staff were certainly hard hit by the assassination of Dulcie September in Paris and the bomb that caused severe injuries to Albie Sachs in Maputo.

In fact, ANC members talked of "Z-Squad killers" being in Zambia. Most of them accept that more of their leadership will die in such mysterious circumstances.

Some go so far as to predict that the South Africans will slowly pick off less protected personalities around the leadership, in a bid to isolate and unsettle the leaders.

"Naturally, we are concerned about safety," said Steve Tshwete, the recently-exiled, rising young figure of the military command. "We know the South Africans, working hand in glove with Israelis, are exchanging opinions and ideas on how to eliminate our leadership."

They talk of more vigilance; there is a general acceptance that security is lax; they appeal to the host governments to protect them. The fact that offices are mostly in town offers some protection, since attacks on their offices would be equivalent, geographically, to attacks on shops in Johannesburg's Carlton Centre.

Members say their houses are closely guarded by sympathetic neighbours. Any strange movement is quickly detected and reported—and the Zambian police are quick to give them protection.

But the prevalent attitude is—with few exceptions—one of resignation, best expressed by the casual shrug of the shoulders. Individuals as senior as Joe Slovo and Pallo Jordan admitted quite candidly that security was not as tight as it could be and that people such as themselves were under threat.

Although these two national executive council members cannot be quoted, they both took the view that security could not be allowed to interfere with the demands of work.

"We can't get paranoid about these things. If we did, we wouldn't be able to work," one leading cadre said to me. "We could put in security systems and search everyone and everything that came into the building, but that would do more harm than good. If the Boers wanted to get in, they would get in anyway."

Ironically, there seems to be at least as much concern about the frightening level of Zambian crime, mostly large-scale theft by violent gangs. ANC offices are heavily burglar-guarded and many have front-door gates reminiscent of those one finds in the security-obsessed northern suburbs of Johannesburg—things designed to deal with burglars rather than bombs or bullets.

"You can't spend your life looking over your shoulder. You can't walk down the street thinking all the time that sometime is going to shot you in the back."

"If we did that, all our work would stop. We have got plenty to do and we have to do it. The work has to go on," a headquarters worker said.

Organization Outgrows Bureaucracy

34000623a Johannesburg THE WEEKLY MAIL in
English 29 Apr-4 May 88 p 7

[Article by Anton Harber: "The ANC Close Up"]

[Text] The ANC: Shrouded in myths, its leaders quasi-mythical figures, satanic to some, angelic to others. Closer up, inside the ramshackle Lusaka headquarters with two phones for the entire headquarters staff, things take on a different perspective. Anton Harber reports from Lusaka on a bureaucracy 10 years behind its own political agenda.

The headquarters of the African National Congress has two telephone lines. Its Department of Culture, in a separate building across town, has none. To get through to its Department of Information and Publicity—which, after all, is in the business of communication—is a feat.

The organisation, dispersed in offices across Lusaka, has one telex. There is talk of getting telefax facilities—but there would be insufficient telephone lines to service them.

This reflects two things: the drawbacks of working in a troubled country like Zambia where facilities such as telephones are a prized possession; and the fact that the ANC has an administrative structure about a decade out of date in relation to the organisation's political growth.

In the last decade, the organisation has massively increased its work, its structures and its bureaucracy. There has been a proliferation of departments and sections and offices around the world. The ANC is running settlements and schools in Tanzania, camps in Angola, offices as far apart as Sydney and Senegal and Sweden. It has members being educated in West and East Europe, Britain and Australia.

New departments—such as religion and legal and constitutional affairs—are being constantly added to an already long list.

Some of these are extremely large and dispersed. For example, the Youth Section claims to have members in 29 different countries. The Department of Education administers bursaries around the world, runs a school in Tanzania and education course in Angola.

And, of course, the ANC also has internal political and military structures to run.

But many cadres say the ANC's structures and bureaucracy have not kept up with this growth.

As one of them put it: "Look at the International Department. When it was formed, it consisted of Johnny Makatini, who travelled around the world speaking at international conferences.

"Now his department is huge. He should be sitting behind a desk and directing a large staff to deal with this task.

"But his department is run the same way it was 10 years ago. Administratively, he hasn't caught up with the international growth of the ANC."

Another example: two Radio Freedom journalists could be seen hanging around the Department of Information and Publicity most days. They were young and highly skilled broadcasters—but they were clearly at a loose end.

It emerged that the Lusaka transmitter for the ANC's radio station had broken down. Since no spare parts were available in Zambia, they were awaiting their arrival from China—expected to take 3 months.

These illustrations sum up the most striking aspects of the ANC: the size of its operation and its work; and the creaky bureaucracy that services it.

The latter is an important part of a far-ranging rethink taking place in the ANC about its policies, its structures and its strategies for the future. Last week, the four most powerful figures in the ANC (the president, Oliver Tambo; secretary-general, Alfred Nzo; treasurer-general, Thomas Nkobi and deputy secretary- and treasurer-general, Dan Tloome) were involved in an ongoing and intensive meeting behind closed doors.

Few people were talking about what they were doing, but it emerged that there was serious thinking going on about the structures and policies of the organisation.

This is no great surprise. The organisation has publicly admitted serious setbacks over the last year, as the State of emergency takes its toll back home and retards the proclaimed drive towards "people's war."

One result is that there is almost an orgy of self-criticism in the ANC at the moment. Department after department told not only of the range of work they do, but of the problems they are facing and the need to address these.

So, for example, some cadres will admit that ANC publications are poor, that its radio stations are not doing all they should.

But it applies to broader issues on strategy and tactics as well. Military leaders concede that the ANC failed to take full advantage of the unrest of 1985-6 to develop its internal structures—allowing the state to make the gains it has under Emergency rule.

However, there is absolute consensus on what the organisation's priority has to be: developing what it calls its PMC structures (Political-Military Council structures), the underground network of guerrillas that would undertake both political and military work within the country.

This was indicated, for example by National Executive Council (NEC) members Pallo Jordan and Joe Slovo military leader Steve Tshwete and youth leader Jackie Selebe.

The heady optimism of 1986-7, when "people's war" was declared, has given way to a more sober assessment. "People's war" will take time to develop, it is now argued. It is dependent on the gradual development of internal political-military structures.

Tshwete, A United Democratic Front leader who is now an up-and-coming figure in Umkhonto we Sizwe (MK), the ANC's military wing, is one of the most positive officials: "The State of Emergency has succeeded only insofar as public rallies and that sort of thing can't be held. But there has been no levelling of the tide (of struggle).

"Resentment has become more intense, making it easier for MK to recruit and base itself in areas that were previously not receptive.

"The Emergency and the general repression are counter-productive for the regime. It is working in terms of heightening resentment and mobilising mass opinion... the situation is favourable for our activities. It isn't a situation that is demoralising the ANC and MK.

Another NEC member said the movement had suffered setbacks, but was not in a defensive posture. "Things ebb and flow. You can't sustain an offensive, as we have in the past few years, and not expect a counter-offensive.

The military struggle remains just one of the ANC's four "pillars of struggle," but is seen as a priority in the short term.

This raises the age-old question of whether the ANC will turn to "soft" targets for its military action. Undoubtedly, this remains an issue; one that distinguishes the "old guard" from the "young lions."

"I fear," one of the older guard said, "that this is an argument that people like me are beginning to lose."

Oddly, this debate takes a moral tone rather than a strategic one—and that is probably why the "old guard's" position is weakened.

It also points to an important dichotomy in the ANC. It has achieved international diplomatic success in recent years, largely because of the respectable, gentlemanly

image of its political leadership. Military success at home—as is being demanded by the younger members—could dent the image and cause difficulties on international platforms.

ANC leadership is primarily political: Tambo, or any of the top four leaders, can hardly be imagined carrying an AK-47. Yet the majority of its younger cadres are pushing for more military action.

Most ANC officials would contest this depiction. Youth Section Secretary Jackie Selebi, for example, agrees that the youth are more militant than the leadership and "want to see more action."

"But the ANC has the ability to allow them to express this militance and teach them to become more seasoned politicians and revolutionaries. It is not an antagonistic relationship," he said.

Another NEC member expressed a similar view. "There is broad consensus on the need to step up the momentum of armed struggle. The old and the young are both part of that consensus.

"It is not age that counts, but political experience—it allows a more realistic assessment of the contending forces and the need for a long-range perspective," he said.

ANC leaders deny there is any contradiction between international diplomacy and local military action. The international successes were built on the ANC's military record, they argue. One would not exist without the other.

The issue is tied up with questions of leadership. Tambo is ageing, and there will be some demand that his successor is chosen not from the core of "old guard" around him (though they command much respect), but from a representative of the "young lions."

Despite all the rethinking and self-criticism, there is not going to be radical overnight change.

"The ANC is slow moving," one of the reformers said.

"In many ways, it is a conservative organisation. Nothing is done without consensus—and sometimes there can be too much consensus."

Nevertheless, there is much more optimism in Lusaka than one finds among resistance groups within South Africa. This is partly because of a plodding determination to continue whatever the odds.

But it is mostly because the ANC leadership tends to be older and more seasoned—and as a result is used to dealing with periods of intense repression.

Instead of emphasising the problems of the state of Emergency, the leadership points to the "regime's ongoing political crisis."

When one raises recent reverses, they stress previous, more serious problems they have overcome.

"Things were more serious in 1984, after the Nkomati agreement," I was told. "People said we were finished, we had been driven back from the borders.

"But we came back stronger than ever in 1985 and 1986. We survive the current ones."

One ANC leader summed up the optimism: "It is wrong to say the lights are all going out (in South Africa).

"They've just been turned down. But the power is still there and the generator is still running."

/12232

President's Attempts at Constitutional Reform Analyzed

34000622a Johannesburg *FINANCIAL MAIL* in English 29 Apr 88 pp 40-41

[Text] P.W. Botha's latest moves on the constitutional front do represent reform—as he sees it. It is not so much their sincerity which is in question, as their practicability. Again, it all looks rather like rule through nomination.

The Nationalist government has tried for so long to fool most of the people most of the time that it has become almost impossible to determine if any new constitutional initiative is genuine reform, or merely, another attempt at sleight of hand. Maintaining the status quo in terms of political power would seem to remain Pretoria's motive force. The latest constitutional "reform" plan unveiled last week by State President P. W. Botha begs far too many questions.

There can be no doubt, however, that the "possibilities" Botha mused over during the debate on his Budget vote is the most interesting official political development since the tricameral concept itself was mooted in 1977.

Progress is such a relative concept that to some the prospect of blacks in the cabinet (even under firm Nat control) is a far-reaching change, while to others it is merely another step up the co-option ladder. But for the first time P. W. has sketched out a scenario—and not merely spoken in vague terms—of how blacks can be represented in central government.

It's not what the African National Congress (ANC) wants; it may not even be what the majority of South Africans want. There is obviously no hint that the

National Party (NP) is prepared to loosen its iron grip on political power or to deviate significantly from accepted party policy—but can we really expect anything more at this stage?

In effect, Botha has presented a broad framework within which he wants to negotiate. Some may see this as the closest he has yet come to a "declaration of intent"—an often-demanded political manifest, along with the call for a second National Convention.

The plan has many shortcomings—not the least of which is the continued insistence on racial "group" identity as the basis for constitutional participation. But it is undoubtedly the most open-ended agenda ever offered by the NP.

It was perhaps significant that Botha did not spell out as emphatically as he has done on similar occasions in the past the NP's "non negotiables" (group areas, race classification and separate schools). By implication he stands by them, but the softer line may mean that he is prepared to talk about them—to remove the "non-negotiable" tag—if black leaders accept his offer to participate in the new structures.

The open-endedness of the plan (though within "group" parameters at this stage) is best illustrated by the considerable difference of opinion even within Chris Heunis' Constitutional Planning Department on just what is or is not possible.

Essentially, as one senior official pointed out, the plan envisages a series of structures within which parallel planning for more widely acceptable solutions can occur. Botha has applied the first brushstrokes and now expects leaders of other communities to add their own.

Officials point out that Botha did not unilaterally announce the plan as a fait accompli, but "suggested" that the concepts he outlined be considered. he now wants as input from "the other side" and is apparently prepared to listen and, if necessary, adapt his ideas to achieve consensus.

There are indications of a new sense of urgency among Nat MPs and government officials. The first enabling legislation is expected to be tabled in parliament this year. If things proceed smoothly, the "new deal" could be well on its way to implementation early next year.

In its tentative way, Botha's plan suggests that (race) federation may be an option for SA. It takes a cautious step away from black ethnicity as a basis for black political development and to this extent can be seen as a move closer to a "fourth chamber" for blacks in central decisionmaking. It provides for a new tier of directly elected government for blacks outside the homelands—which means that for the first time they will have a direct say in issues other than garbage collection, dog taxes and township rent.

There is also provision for blacks to participate directly in the election of the State President—possibly through the proposed regional authorities. There is moreover provision for black participation on a revamped President's Council which will take over the functions of the existing specialist advisory bodies such as the National Manpower Commission and the Economic Advisory Council. The council's legislative deadlock-braking role would therefore continue with black participation, in theory.

Blacks could be nominated to the cabinet. A black minister of black education or housing, or even a black deputy minister of constitutional planning may be the first posts to be created—if the men can be found for the job, another question altogether.

In theory (although highly unlikely) there could even be a black prime minister—a post Botha wants reinstated to leave him free to deal with more over-riding issues than the day-to-day administration of the executive. But an examination of the cloudy structure that is emerging (see box) suggests that the PM will in fact be no more than a chairman below the all-important policy-making body headed by the state president.

While this is all happening the National Council (NC)—possibly to be ridiculously renamed the Great Indaba—will be considering radical constitutional change. The Indaba—representing all communities with delegates drawn from parliament, the regional councils for blacks, the homelands and possibly other organisations and interests groups—may be given a say in central decision-making either by being asked to comment on, or assist in the drafting of “general affairs” laws.

NP leaders say the initiative is not a deviation from party policy and point to a decision at the 1986 federal congress to give blacks control of their “own affairs” and a role in the central decisionmaking to justify the new plan.

They add that it will, therefore, not be necessary to ask white voters for their blessing in either a referendum or a general election before implementing any of the steps outlined by Botha.

A test of white opinion will be necessary, however, if the NC adopts a new constitution. Last week Botha recommitted himself to such a test.

The plan's biggest drawback is its extension of the “own affairs” concept for blacks outside the homelands (currently handled by the provincial councils) to directly elected “own affairs” regional councils.

“Own affairs” government is widely rejected. Botha almost certainly knows this—but it is no paradox that it has again been elevated to a central theme of his new plan. It remains the only way he can move at this stage, to build upon the (flawed) constitutional edifice he

presides over. The plan will also obviously cost more money. New regional authorities for blacks will not come cheap. There will be executives and legislatures, administrative departments and officials; the bureaucracy will continue to burgeon.

One Nat leader has acknowledged that the most serious obstacle so far to black participation in government-created structures remains government's refusal to release “political” prisoners and unban the ANC.

There is no reason why the same obstacles will not also block the path of the new plan. In fact, the plan—if it ever gets legislative form—will most likely founder on this substantial rock.

And even if it gets off the ground, trying to hold elections for regional councils in black communities could spark off a new wave of township violence.

Euphoria may, therefore, be premature. There is clearly a long road ahead and with the NP's record of procrastination and doubling back on itself, it may be many years before the Botha plan bears fruit—if it ever does.

Who Rules Us All (Revamped structures of government)

State President:

—Elected by Electoral college comprising—on a proportional basis—white, coloured and Indian MPs and “recognisable” black leaders.

—Functions include chairing Central Policy-Making Body comprising representatives of all groups.

—Appoints prime minister and Cabinet.

—May chair Cabinet meetings and National Council on occasion. Policy Making Body:

—Headed by state president.

—Comprising designated representatives of all groups and communities.

—Responsibility for matters such as “population relations,” macro-economic policy, financial priorities, securities and foreign affairs.

Prime Minister:

—Appointed by state president.

—Need not necessarily come from parliament.

—Chairs Cabinet and handles day-to-day administration of the executive.

—Answerable to the state president.

Cabinet:

—Appointed by the state president.

—Headed by the PM.

—Responsible for "general affairs" portfolios.

—Members need not necessarily be MPs or members of other statutory bodies and can be black, coloured, Indian, or white.

National Council:

—Effective and ongoing constitutional conference looking at ways to accommodate the aspirations of all groups. Representatives from all communities nominated, elected or designated by various elected bodies including parliament, the regional councils for blacks and the homelands. The name, form, composition and functions of the council are still being considered and negotiated.

—While it is sitting the council may have an input into ongoing "own affairs" legislation and in so doing will give blacks a say in central decisionmaking.

President's Council:

—Appointed by the state president to operate on a part-time basis and deal, inter alia, with matters currently handled by special advisory bodies as the Economic Advisory Council and the National Manpower Commission.

—Continues to serve as a parliamentary deadlock breaking mechanism in relation to "general affairs" legislation.

—Will comprise members who are black, white, coloured and Indian. Non-Independent Homelands:

—Ethnically-based geographic regions with their own elected legislatures and executives. Limited responsibility to the South African parliament through the minister of constitutional development and planning and the minister of finance.

—Representatives to be delegated to the National Council.

New Group Area Bills To Be Discussed in Parliament

34000622c Johannesburg *THE CITIZEN* in English
5 May 88 p 8

[Article by Brian Stuart: "Govt Is Tight-Lipped About Group Areas"]

[Text] Cape Town—Government sources are remaining tight-lipped about when important new Bills will be published to amend the Group Areas Act and to introduce the constitutional changes proposed last week by the state president, Mr P. W. Botha.

The measures are all highly controversial and could occupy the final weeks of the present sitting of Parliament—provided they can be taken through the parliamentary standing committees before the sitting adjourns.

Among Bills known to be in the pipeline are:

—The Free Settlement Area Bill, to allow for the establishment of open residential areas under certain conditions;

—A Group Areas Amendment Bill, which is expected to tighten control over property owners who lease residential property to people of the "wrong" colour;

—The National Council Bill, to set up a negotiating forum for leaders of all the country's major communities, including Black elected representatives;

—A Black Regional Authorities Bill, to create elected Black legislative and executive authorities with control over Black "Own Affairs," and,

—A Bill to incorporate Moutse into Kwandebele which, in effect, would override a recent Supreme Court Judgment.

It is almost impossible to get comment from any government source at the moment on the Group Areas Act and the Separate Amenities Act.

In the House of Representatives this week, President Botha, said the legislation was "coming" and he did not wish to preempt it by discussing the matter.

Progressive Federal Party spokesman on Group Areas, Mr Tian van der Merwe, estimated yesterday that about 100,000 people were already illegally in White Areas.

He said the opening of established "grey" areas such as Woodstock, Mayfair and Hillbrow, would effect only about 10 percent of these people, and he feared the new bill would not give relief to the rest.

At present government moves to evict people of the "wrong" colour have all but ceased in view of a court decision that alternative suitable accommodation must be available before a person can be forcibly evicted.

The Conservative Party is pressing the government for this "loophole" to be closed, so that any person convicted in a court of law of living illegally, in an area can be summarily evicted.

The new Group Areas Amendment Bill is expected to place much of the burden for evictions on property owners. Even under existing law, property which is "misused" in defiance of the Group Areas Act can be expropriated and sold.

Opposition political parties in all three houses are expected to fight the proposed bill to make Moutse a part of Kwandebele.

The Rev Allen Hendrickse, Labour Party leader, has said his majority party in the House of Representatives will reject any attempt by the government to circumvent the recent Supreme Court ruling against the incorporation.

The National Council Bill has already been published twice in different forms, and the third edition is expected to be published soon.

President Botha has indicated the new measure will be less rigid, to enable the exact form and size of the Council to be negotiated.

No detail is available on the proposed bill to establish elected Black regional bodies, with similar control over Black "Own Affairs" to that exercised by each of the three Houses of Parliament in regard to White, Coloured and Indian matters.

The Bill is expected to permit the State President to name the functions which will be transferred from the central government to these authorities, but it is assumed that Black Education, Health and Welfare, Pensions and Local Government will be among the delegated portfolios.

The exact size and structure of the bodies, the appointment of Black Ministers to handle the portfolios and the extent of the legislative authority to be delegated have yet to be set out.

All of these measures fall under the portfolio of Mr Chris Heunis, Minister of Constitutional Development and Planning.

Political Analysts Consider Regional Peace Secondary Priority

34000632b Johannesburg *FINANCIAL MAIL* in English 6 May 88 pp 32, 33

[Text] SA's best economic interests lie in regional stability and economic co-operation. But that doesn't mean to say it will happen soon—some pointers notwithstanding. Pretoria's game plan remains to protect its client in Namibia.

On the surface, peace appears to be edging incrementally closer in southern Africa. Talks in London this week on the Angola-Namibia issue (they are inextricably linked now) bring some hope that the 13-year conflict might just be nearing an end.

Is that being too optimistic? Maybe. Talks only signal the beginning of the peace process. There is clearly still a long way to go yet, and we know from past experience that much can go awry when former adversaries sit down at the negotiating table.

The latest peace initiatives were not entirely unexpected. Experience has taught us too that, where SA is involved, a sudden flurry of diplomatic activity in foreign capitals usually translates into something slightly more positive.

Certainly, the latest developments, read in conjunction with Mozambique's apparent willingness to reaffirm its commitment to the Nkomati Accord, do tend to encourage the belief that the logjam may finally be about to give way.

Peace, in itself, is a fetching prospect. Only in a subcontinent where peace reigns would, say, Eskom's day-dream of a regional power network linking SA's national grid with Kariba in the north and Cahora Bassa in the east have any prospect of becoming real (BUSINESS April 29).

The next logical steps would obviously be an expanded customs union, preferential trade agreements and, ultimately, a fully fledged economic bloc of southern African states. Even the most diehard nationalists, on all sides, would agree that it makes cogent economic sense.

What does not make sense is that the Southern African Development Coordinating Conference (SADCC) should spend vast sums it can ill-afford developing alternative outlets to the sea when SA has all the transport infrastructure the region needs.

The arguments are compelling. Hard to dismiss, too, is the suggestion that there should be regular meetings between the heads of the neighboring states to consider problems of regional security, economic dysfunction or social dislocation—regional African summitry, in other words.

Unfortunately, while the latest initiatives towards peace are encouraging, they must be tinged with circumspection.

That much Foreign Minister Pik Botha allowed when he warned recently after talks between Angola, Cuba, the U.S. and Moscow, that people should not allow "their expectations" of peace to be unduly raised.

Professor Mike Hough, Director of Strategic Studies at Pretoria University, points out (as Botha has done) that nothing much, on the ground, has changed. The Angolans, he says, are still insisting on a limited pullback of Cuban troops to beyond the 13th parallel; there is no timetable for the proposed withdrawal process yet; and, more damning still, the MPLA is being re-supplied by Moscow with equipment lost in the current skirmishes. Not an encouraging scenario.

What the commentators will allow, though, is that the Angolan government and its supporters have recently demonstrated far more willingness to consider a peaceful outcome to the conflict than in the past. Luanda's change of heart, they speculate, has been brought about by the thaw in relations between Moscow and the West; fears that the USSR could be over-committed in regional conflicts in Afghanistan and Angola; the need for the Cubans to disentangle themselves from what is proving to be a costly foreign adventure; a genuine desire for national reconstruction in Angola; and, by no means least, SA and UNITA's military successes on the battlefield in Angola.

In short, the initiative for peace is coming largely from abroad. Meanwhile, far from rushing to accept the olive branch which is being proffered, SA appears to be playing the role of a coy bride. In the field, the SA-UNITA alliance appears to be in the superior position, having repulsed the MPLA offensive on the UNITA capital of Jamba at the Lomba River. It has subsequently wrested the initiative by moving westwards, taking the fight directly to the Angolans and surrounding their key resupply town of Cuito Cuanavale.

"What the Angolan government is in effect offering," says Hough, "is a form of political amnesty. SA, on the other hand, is consolidating its position on the battlefield. It would not be unreasonable to expect it to push for the best settlement possible under the circumstances."

The best settlement, as Hough sees it, is a peace which leaves UNITA in a strong position in any future Angolan government; which leads to the emasculation of SWAPO cadres operating from Angolan soil; and one which has the effect of diminishing foreign influence in the region—Cuban, Soviet and that of the US.

That, in itself, could complicate the peace process—given that the hawks in the Angolan administration have vowed never to sit at the same table as UNITA's Jonas Savimbi. Says Hough: "The stalemate could continue indefinitely."

The more wordily wise commentators, like Professor Andre du Pisani of the Institute of International Affairs, and UCT's head of political studies, Prof Robert Schrire, suggest that a stalemate is precisely what SA wants.

They point out that a settlement in Angola only brings the more pressing question of independence for Namibia into sharper focus. SA's position on the territory is well known. Government has said that it stands ready and willing to implement UN Resolution 435—once the Cubans have departed.

Schrire maintains SA's priority in the Angolan-Namibian conundrum is, and always has been, Namibia. It wants to see a benign regime installed in Luanda, but, more important, it wants to keep SWAPO at bay and retain the support of the internal parties in Namibia. Effectively, continuing conflict in Angola helps it attain that—by keeping southern Angola as a buffer zone to Namibia and having UNITA forces harry SWAPO cadres fighting alongside Angolan troops.

Consequently, Schrire ventures: "SA would not be unhappy to see the peace process fail."

Du Pisani is similarly skeptical. He says there is hard evidence pointing to the fact that SA is attempting to de-link the Namibian question from the peace process in Angola; in short, trying to broker a reconciliation between UNITA and the MPLA which leaves Namibia entirely out of the equation.

He concludes that as a strategy it is unlikely to succeed. Linkage, a concept devised by U.S. negotiators and initially heartily embraced by SA, envisages reciprocal movement on the issue of Resolution 435 leading to independence for Namibia in return for the withdrawal of Cuban troops. Any attempt to de-link the two issues at this juncture, he says, is likely to be vigorously opposed by virtually all parties.

Du Pisani, too, sees SA's latest stratagem as an attempt to buy time over the Namibian issue. SA, he says, has failed dismally to cobble together a credible political alternative to SWAPO from among the fractious internal parties in Namibia. Ironically, its military successes have run ahead of any gains that have been made diplomatically or politically.

Says Du Pisani: "In the absence of any significant movement on the ground in Namibia, which fits in with SA's regional political plans, there is no way a settlement in Angola can go ahead."

However, he's not surprised there has been further diplomatic movement on the Angolan issue. Moreover, he anticipates the Cubans will come up with a timetable envisaging a phased Cuban troop withdrawal over one or two years—and that the ball will be placed firmly back in SA's court.

SA will then either have to seize it and run with it or stall for more time as it has habitually done in the past.

In the absence of any dramatic political breakthrough, Du Pisani sees SA continuing to consolidate on the battlefield and establishing a cordon sanitaire in south Angola which will amount to a de facto partition of the country. The recent announcement that UNITA has established a provisional government is significant. A total military victory over Angola, even if it were within the capabilities of the SADF (which is open to doubt), is an option which, for obvious reasons, is discarded by most observers as impractical.

Peace is obviously the preferable route. But to be realistic one would have to acknowledge that the peace process cannot be rushed. There are so many vested interests, on all sides, to be accommodated that the mere attainment of a modicum of peace—however imperfect—would be a victory in itself.

As Schrire says in summation: "There are so many obstacles to peace that a basic pessimism is warranted."

So Eksom—and everyone else—will have to wait. Probably for at least a decade.

07310

AWB Leader Disqualified From Running for Parliament

34000622b Johannesburg *THE CITIZEN* in English
5 May 88 p 5

[Article by Brian Stuart: "AWB Leader Can't Stand in Poll"]

[Text] Cape Town—The leader of the Afrikaner Weerstandsbeweging, Mr Eugene Terre'Blanche, cannot stand as a candidate for Parliamentary election because of convictions under the Arms and Ammunitions Act, according to the National Party information service.

Last month Mr Terre'Blanche challenged the Transvaal NP leader, Mr F. W. de Klerk, to resign his Vereeniging seat and fight a by-election against Mr Terre'Blanche.

"Because of a suspended sentence Mr Terre'Blanche cannot make himself available as a candidate in an election," the NP said in its monthly mouthpiece, *THE NATIONALIST*.

The article quoted the Department of Justice as saying Mr Terre'Blanche was convicted in the Pretoria Supreme Court on 4 November 1983 of three offences under the 1969 Arms and Ammunitions Act.

He was convicted in terms of Section 32 (1)(A) for the possession of certain types of arms, in terms of Section 2 for the possession of a unlicensed firearm, and in terms of Section 36 for the possession of illegal ammunition.

"Mr Terre'Blanche was found guilty on all three charges and jointly sentenced to 3 years' imprisonment without the option of a fine.

"The sentence was suspended on condition that for 5 years he was not again convicted of one of the same offences.

"According to newspaper reports of 5 November 1983, the case involved at least 'four AK47 rifles, a Makarov pistol and a large quantity of ammunition of East European origin.'

"The constitution of the Republic of South Africa states in Section 54(A) that a person is disqualified from being elected a Member of Parliament or from taking a seat in Parliament if he has 'at any time been found guilty of an offence for which he was sentenced to imprisonment without the option of a fine for a period of at least 12 months, unless amnesty or a general pardon has been accorded him, or unless the period of such imprisonment expired at least 5 years prior to his election.'

"Legal opinion obtained by The Nationalist indicates that following his offences Mr Terre'Blanche is not yet qualified to make himself available for election," said the article.

/12232

BB Plans To Campaign for Separate Boer State

34000623c Johannesburg *THE STAR* in English
10 May 88 p 5

[Article by Esmare van der Merwe: "Reinstate our Boer Republics"]

[Text] The ultra-rightwing Boerestaats Beweging (BB) plans to enter the political arena soon to canvass actively for a separate volkstaat for Afrikaners.

At a weekend meeting in Boksburg, BB leader Mr Robert van Tonder said no political party advocated reinstatement of "our Boer republics."

"The time of huge entities in which everything is decided by majority vote is past, and smaller nations want their own, independent states."

/12232

**White Voter Reaction to Group Areas Policy
Greatest Threat to NP**

34000629a Johannesburg *FINANCIAL MAIL* in
English 13 May 88 p 55

[Text] Negative reaction by white voters to the snowballing contraventions of the Group Areas Act (GAA) is regarded as the greatest single threat to the National Party (NP), according to a senior government source.

He says the situation is so serious that unless the Act is tightened up and seen to be applied vigorously, defections from the NP to the Conservative Party (CP) in the coming year will completely destroy the NP's grassroots organizational ability in even more areas than in now the case

Even in so-called verligte constituencies where the CP was soundly beaten by the NP in last year's general election, there is reported to be an alarming degree of disenchantment among Nat supporters with government's lenient handling of GAA contraventions. In a desperate bid to stem the tide to the CP, government plans to tighten the GAA. This raises the spectre of hundreds and possibly thousands of GAA evictions across the country (Current Affairs May 6).

Amendments will be tabled in parliament as soon as possible and will be law—and presumably enforced—before the October municipal elections, in an attempt to limit the gains the CP is expected to make in the local polls.

However, the move may well explode in government's face. Not only will widely publicized mass evictions be manna from heaven for sanctions lobbyists in the U.S. and Europe, but they may also further radicalize black and coloured communities—as well as many whites who have grown accustomed to, and in many cases made friends with, black, coloured and Indian neighbors living “illegally” in “white” areas.

The government source acknowledges that the evictions are a major problem and that a solution is still being sought. He suggests that it is likely that alternatives will be offered to people who are evicted—possibly accommodation in “open” areas to be created in terms of the proposed Free Settlement Areas Act.

He argues that if the NP does not do something to stop the growth in CP support, the CP will gain control of government and kill “reform” stone dead.

Such comments will give little comfort to black families. What the Nats are saying in effect is: “We have to evict you to prevent the CP gaining power and evicting you.” For some reason government seems to believe it can apply the GAA strictly for a short period, gain short-term political credit on the rightwing, and then forge ahead with “reform” as though nothing had happened.

But it's unlikely to be that simple. Another problem government faces in adopting a tougher line on residential apartheid is that black leaders considering the new “reform” package may be frightened back into their shells.

Just how P. W. Botha plans to sell a policy that moves in one direction on a particular day and then turns around the next is a mystery.

07310

**Local Authority Representation for Next Election
Given in Figures**

34000632a Johannesburg *BUSINESS DAY* in English
4 May 88 p 3

[Article by Dominique Gilbert]

[Text] Roughly 7,200 local authority representatives are to be elected to about 1,154 local authorities in the October municipal elections, Constitutional Development's director of local government Len Dekker estimated yesterday.

Dekker did not have a comprehensive list of local authorities at hand and said new local authorities might not have been taken into account.

He said that on Friday, another new council would be established for the Khayelitsha settlement near Cape Town, in terms of a government notice.

This is as a result of a request by the province's administrators that the possibility of a local authority for the settlement be investigated.

Dekker said this could not be linked with government's aim to involve as many blacks as possible in the elections, because the formation of new local authorities was an ongoing process.

There was “no hurry” for new local authorities to be established before October, because if and when new authorities were needed, separate elections would be held for them.

In terms of his estimates, Dekker said that countrywide there were about 530 white local authorities, 240 black local authorities and four “fully-fledged” Indian local authorities.

Most Indians and coloureds were represented on management committees which, in general, were linked to white local authorities, he said.

There are about 309 coloured management committees countrywide, 40 in the Transvaal, 240 in the Cape and 15 in the Free State; and 75 Indian management committees countrywide, 23 in Natal, 42 in the Transvaal

and 10 in the Cape. None have been established in the Free State since the province scrapped an ordinance banning Indians from living there.

G7310

Afrikaners Crucial to Nation's Political Future
34000632c Johannesburg *THE CITIZEN* in English
5 May 88 p 6

[Text] According to Dr Denis Worrall, the leader of the Independent Party, the era of Afrikaner domination in South African politics is coming to an end.

"We are between Afrikaner domination and something unknown," he said. "It could be some form of black domination—Zulu or Xhosa orientated—or it could be a non-racial democratic South Africa."

Presumably by Xhosa-orientated domination, Dr Worrall is referring to the ANC, and by Zulu-orientated domination he is referring to Chief Mangosuthu Buthelezi and his Inkatha organization.

But neither of the two is in any position to oust the present government, which is dominated by the Afrikaner, though it is getting increasing support from English-speakers.

There are other Jeremiahs like the Afrikaner intellectual who frightens businessmen by telling them that power will be taken over by the blacks in 25 to 30 years—or even 15.

And there is a Prog newspaper which cryptically says: "Like it or not, power is going to change hands in the foreseeable future, no matter what any exclusively White government wants."

Presumably it means power will pass into black hands.

The ANC is regarded in liberal circles as the "liberation" force that will oust the Afrikaner from power and it rather fancies itself in that role. But there is no indication it will succeed.

Stephen Robinson, of the LONDON DAILY TELEGRAPH, who recently visited the Lusaka headquarters of the ANC, reported that the exiled leaders of the ANC are undergoing a period of heart-searching as they contemplate their faltering campaign against an increasingly assertive and self-confident South African Government.

"Senior ANC members accept that the heat has gone out of the organization's combined military and political offensive against Pretoria.

"They admitted in interviews that the organization's morale was at a low ebb, because Pretoria did not seem threatened by the ANC. Right-wing advances in White politics, or even sanctions.

"The ANC's military wing, Umkhonto we Sizwe (Spear of the Nation) has failed seriously to challenge the SADF in three years since a heightened military offensive was announced."

Robinson concludes: "The ANC, founded in 1912, is probably the oldest liberation movement in the world. I did not have it in my heart to tell them I suspected it would be around for many years yet."

As for the future of the Afrikaner, we do not think that Dr Worrall, who is closer to Whitehall than to Pretoria in his political inclinations and thinking, is a good judge.

Nor do editors of English Establishment newspapers understand the Afrikaner, hence their own lack of political clout.

To liberals, the national Party Government's desire to share power with other races, including the Blacks, is not genuine, because it will not accept that one man, one vote is the only true democratic direction to take.

They believe, therefore, that it will fail.

The government, on the other hand, is looking for other democratic models. It does not intend to hand over to majority rule—and it has the strength and resources to ensure that this does not happen.

It is therefore proposing to negotiate a new dispensation in which the rights of all minorities will be safeguarded.

The Afrikaner Right, however, is gaining support on the basis that reform will destroy the White man's chances of survival.

Thus, whether it is the reformist NP or the apartheid CP, Afrikaners still dominate South Africa's politics.

And it is the Afrikaner who will determine the future of this country.

Dr Worrall and the Prog Press should understand one thing: This is the Afrikaner's only home and he does not intend to allow himself to become a bywoner in it.

07310

Cosatu Paper Explains Reasons Behind Government Crackdown
34000629c Johannesburg *BUSINESS DAY* in English
16 May 88 p 9

[Article by Alan Fine]

[Text] The Security crackdown against Cosatu and 17 other organizations was not the action of a panic-stricken State. Rather it is part of a considered—if seriously flawed—strategy to resolve SA's political and economic crises.

This is a key assertion in a Cosatu paper—circulated in advance of the special weekend conference as a basis for discussion—which goes some way towards dispelling the “panic-stricken State” and other myths which developed in left-wing organizations during their 1983-1986 heyday.

The paper recognizes that events since the imposition of the second state of emergency, culminating in the February bannings, have crucially changed the operating atmosphere and demand a new approach to political activism.

It sees the crackdown as a preemptive action designed to limit unions to bread and butter issues, destroy the “democratic movement,” and thus mass action, paving the way for measures which, government hopes, will provide for political control without the otherwise necessary shield the emergency gives.

This is necessary, the paper argues, because the emergency has limitations as a permanent weapon of control. Among other things, it alienates the support of important liberal sectors.

Reform measures, it says, include constitutional restructuring at all levels, together with attempts to redress the socio-economic needs (through, for example, selective township upgrading) of some layers of black society.

The State, meanwhile, has evolved a clearer economic direction, with government becoming more conscious that its primary role is to serve capital rather than Afrikaner interests.

Hence its moves towards support for the free market, and in particular privatisation, deregulation and possibly a wage freeze. This, the paper says, represents an attack on both the black and the white working class.

(On the question of business and the wage freeze, this appears an overstatement. Most conservative employer organizations have opposed this. It is perhaps more accurate to stress, as is done further on, that most sectors of business have not opposed measures such as the Labour Relations Amendment Bill and the political restrictions on Cosatu, which will shift the balance of bargaining power back towards business and discourage political activities which impact on the bottom line).

Rejected

“Bothanomics,” the paper says, is also an attempt to deal with the serious fiscal crisis. But it has rejected doing this by cutting defence spending and ending the extravagances of the tricameral and bantustan systems. It has instead chosen a solution which would cement an alliance with business.

Government’s next political step, it argues, is to draw moderates into the system by promoting them as authentic leaders and wooing them through economic upgrading, together with continued repression of the democratic movement.

Thereafter, it predicts, government will move towards negotiations on its own terms. This will include—as but one of a number of groups—the ANC and the democratic movement, whose bargaining position will have been weakened or destroyed through State action.

The paper argues, though, that this strategy is beset by contradictions. The most important is that any attempt to impose a solution which fails to meet democratic standards will be rejected by the majority.

Also, repressive actions generate strong international protest; homeland corruption is costing billions; economic planning is subject to military objectives; the NP is losing electoral support to both the right and the left; and the harsh and unavoidable consequences of privatisation and deregulation will sharpen management/worker conflict.

Nevertheless, it is argued, the use of such carrots together with the stick (like the Chris Ball affair) has made business come to terms with support for government strategy. Business has, for the moment, stopped its search for long-term security and flirtation with extra-parliamentary groups—such as the 1985 meetings with the ANC—it says.

The paper argues that certain structural and strategic shortcomings in Cosatu and other mass organizations have prevented them from responding adequately to the changing situation.

Cosatu, it says, is hampered by divisions within between affiliates, apathy towards Cosatu structures and a lack of openness in political debate whereby alternative views are dismissed through perjorative labelling.

Open debate should be encouraged—on the basis of support for and loyalty to Cosatu and the UDF.

A broad weakness of the democratic movement as a whole, it adds, is that it has concentrated its energies on high-profile political campaigns at the expense of concerted grassroots organizational work.

‘Not Adapted’

“The declaration of the state of emergency drastically changed conditions...but we have not adapted effectively.... We cannot respond by blind defiance based on the view that the State is panic-stricken and all that is needed is a big push. Nor can we respond by saying the State’s power is unassailable, that it has no weaknesses,” the paper says.

It argues that the primary task is the building of organization. Such work need not be overtly political, and intervention in issues such as religion, sport, health, housing, unemployment and education is vital. A failure to do so, it argues, will bolster those moderate groups which do take an interest.

And, it concludes, the restrictions on Cosatu and the bannings of other organizations means much of the responsibility for these tasks rests with the unions within Cosatu.

07310

Columnist Questions Importance of Country to U.S. Interests

34000629b Johannesburg SUNDAY TIMES in English
15 May 88 p 23

[Commentary by Simon Barber, "Washington Diary" column]

[Text] The big news in Washington this week, of course, has been former Treasury Secretary and White House chief of staff Donald Regan's revenge on First Lady Nancy Reagan—his book called FOR THE RECORD.

As the "kiss and tell" genre goes, the memoir is not quite as crass as the efforts of former White House spokesman Larry Speakes and presidential stage manager Michael Deaver. Indeed, one puts it down grateful that Nancy did not use real poison on her nemeses and at least drew the line at slaughtering sheep in the White House rose garden to seek scheduling guidance in their entrails.

I will leave it to others to expatiate on the decency of such volumes and what they imply for the fate of the Free World, and dwell instead on what Regan chose not to tell us about: In particular, the Comprehensive Anti-Apartheid Act and the mess the White House made of fighting the thing.

You would have thought that President Reagan's first major foreign policy defeat at the hands of Congress—the override of his CAAA veto—might have warranted a mention.

Surely, it was a matter of some gravity to his closest adviser at the time?

Actually, you would have been utterly naive to so think; just as naive as you would have been to believe that anyone in the White House (aside perhaps from the oddly fixated Patrick Buchanan) really gave a damn whether or not the CAAA became law. South Africa was not then, is not now and never truly has been part of the agenda.

Let me put it another way. Were the ANC to move into the Union Buildings tomorrow and turn out to be every bit as vicious as Pretoria has depicted, it would have not the slightest impact on the pursuit of happiness over here.

South Africa is not a significant part of the hugely complicated web of global relationships, political and economic, upon which American prosperity and security depends. Inasmuch as it is a part at all, it is as a supplier of minerals which will continue to be dug out of the ground whoever rules.

Last January the U.S. Bureau of Mines completed a study of the cost to the American economy of a five-year embargo on all "strategic and critical" materials—chromium, vanadium, manganese, titanium, ferro-alloys, platinum group metals and, for completeness, Zairean cobalt shipped through South Africa.

The predicted bill was trifling; less than \$10-billion (R20,34-billion). Two and a half aircraft carriers. The wealth of five men. A drop of spit in the bucket of a trillion dollar economy. South Africa could sink into the sea this afternoon. It would lead the evening news and make the cover of Time, but America would scarcely blink.

To be sure, there might be short-term dislocations, but they would be nothing beside the riches generated as entrepreneurs rushed in to develop alternative sources, materials and technologies.

Trade? America's exports to South Africa in the first six months of last year represented all of one half of one percent of its exports world wide. South Africa accounted for 0,32 percent of America's total imports over the same period. Hardly a blip on the screen.

As for geopolitics, the Soviet Union can have South Africa, any more, it can have the entire continent south of the Sahara, for all Washington, in its political aggregate, cares. But the Soviet Union doesn't care much either. Thanks to "glasnost," the Soviets are beginning to know a wasting asset when they see it.

If there is a Third World War, victory will not depend on controlling the Southern Atlantic or the Indian Ocean, much less the land mass that separates them. The contingencies of the Second World War do not figure heavily in Washington's day-to-day policy planning any more.

Archbishop Tutu may have said a lot of strange things on his Washington visit last week. But on one point, he stumbled onto the fringes of a truth.

Reagan, he said, thought black South Africans were "expendable." No, America as a whole treats all of South Africa as expendable.

07310

Statistics on Transkei's Detainees Given
34000623b Johannesburg THE WEEKLY MAIL in
English 5-12 May 88 p 10

[Article by Louise Flanagan: "Kei Hanged 86 in 10 Years"]

[Text] Transkei has 30 political detainees, 30 prisoners on death row and 16 political trials underway.

These are just some of the statistics compiled by the Umtata-based Prisoner's Welfare Programmes (Priwelpro).

According to Priwelpro, some of the detainees being held have been in detention since 1986, and there are R2-million in legal claims relating to the activities of the security police pending.

Condemned prisoners spend an average of a year on death row and are denied private consultations with their attorneys.

The report said the project's research had shown that 155 people were sentenced to death in the 10 years from April 1987, when the Transkei built its own gallows, up to September 1987.

Of these, 86 were hanged. Others are still on death row or had their sentences commuted, and one escaped.

Priwelpro lists details of 40 civil claims against the police, totalling R2,025,500. Most of the claims involve unlawful arrest and assault.

The project said it is involved in a case of about 30 sentenced prisoners, two of whom died in an incident where prisoners were allegedly assaulted by warders at Umtata Prison. The case is still pending.

/12232

Trade, Diplomatic Links With Latin America Stepped Up
34000624 Johannesburg THE WEEKLY MAIL in
English 8-14 Apr 88 p 6

[Article by Victoria Brittain: "The Friendless Make Friends: Handshakes Across the Atlantic"]

[Text] South Africa's weapons exhibition at a Chilean arms fair did more than prove that Pretoria rather enjoys thumbing its nose at the world: it proved that Latin America has become a vital conduit in breaking the arms embargo.

Pretoria has cultivated powerful trade and diplomatic links in Latin America to offset South Africa's international isolation elsewhere.

At an arms fair in Chile a fortnight ago, Armscor, South Africa's weapons company, exhibited a huge range of weaponry now officially made in the country--in deliberate violation of the United Nations arms embargo on South Africa.

The United Nations Security Council's committee on the arms embargo met last week to discuss the flouting of their appeal to Chile to bar South African participation.

The exhibition and the ignoring of the UN take place against the background of the most serious South African incursions inside Angola since independence.

Firstly, although the Armscor exhibits claim to display South Africa's self-sufficiency in armaments, in fact, like last week's debate in the West German parliament, they show the success Pretoria has had in breaking the arms embargo.

Secondly, they illustrate the trade and diplomatic links South Africa has developed in Latin America.

The most significant expression of Pretoria's isolation was imposed in 1977 with the UN mandatory ban on selling arms to South Africa, backed up in 1984 by another ban on importing arms from South Africa.

Britain, China, West Germany and the United States, who all exhibited in Chile, are in a deeply contradictory position because of their membership of the Security Council whose arms embargo made the appeal to Chile.

Major-General Joseph Garba of the UN Special Committee against Apartheid earlier appealed to Chile not to allow the South Africans to exhibit and, failing that, called on participating governments to withdraw.

Enormous business interests are involved. Last December for the first time, the UN Security Council expressed "alarm and great concern that large quantities of military equipment were still reaching South Africa directly or via clandestine routes."

Latin America, and specifically Chile, is (apart from Israel) the prime route according to the Norwegian-based World Campaign Against Military and Nuclear Collaboration with South Africa.

The Commonwealth, the Nordic countries and the Frontline States, in meetings in Arusha, Tanzania, and Lusaka earlier this year, brought this issue to the fore now that embargo-breaking is changing the character of the war. They have stepped up their input into the World Campaign.

Last year a U.S. State Department study identified Israel, Italy, France, West Germany, Britain, the Netherlands and Switzerland as countries violating the arms ban.

Submarine construction plans and helicopters have, for instance, been provided by West Germany. The West German Messerschmitt helicopters supplied to the South African Police in 1985 and to Ciskei, Transkei and Venda are to be manufactured in Chile under licence.

Since the State Department report, the United States, too, has broken the embargo in spirit, if not technically. Regular arms supplies through Zaire to Unita in Angola have been stepped up in parallel with the ongoing South African invasion.

The United States provided Stinger missiles to Unita forces who are fighting with the South African military. Meanwhile, a new development of the Messerschmitt helicopters will allow them to carry Stingers.

The pilotless South African spy plane, Seeker, being shown internationally for the first time at Fida (and used devastatingly against the Angolan defense line at Lubango within days of its exhibition) was developed by Israel. Israel also converted Boeings into refuelling aircraft which gives South Africa's Mirages (including the Israeli-updated Cheetahs) the range to reach as far north as Dar es Salaam in Tanzania.

Israel has recently announced a similar updating of Chile's Mirage fleet—an illustration of the joint production which links Israel, South Africa, Chile and Taiwan, according to the World Campaign.

The South African presence at Fida '88 is embarrassing too, for Brazil, and South Africa is expected to step up its use of Chile as a go-between.

The links between Chile and South Africa have also had unexpected side-effects for Peru, which has taken a high profile on southern Africa. President Alan Garcia is widely tipped to succeed the prime minister of Zimbabwe, Robert Mugabe, as chairman of the Non-Aligned Movement, and is active on the NAM's key project—the Africa Fund to support the Frontline States.

At a recent UN seminar on apartheid in Lima, the Peruvian hosts were embarrassed to find large advertisements for South Africa in the opposition press, paid for, apparently by the South African embassy in Chile—THE GUARDIAN, London.

/12232

MILITARY

ECC Gives White Casualties in Angola War
34420147 Maputo NOTICIAS in Portuguese
21 May 88 p 1

[Text] According to the Wednesday edition of the Portuguese daily O DIARIO reporting to AIM, the South African organization End Conscription Campaign [ECC] revealed in London that the number of white South African soldiers killed during the recent aggression into Angola could reach 400.

The South African army admitted that there were only 50 casualties among its white soldiers who participated in the offensive on Cuito Cuanavale from September 1987 to February 1988. However the ECC, which cites international observers, affirms that the number of casualties among white soldiers is much higher than that admitted by South Africa. Furthermore, it revealed that in the Voortrekkerhoogte Hospital alone, on the outskirts of Pretoria, there are 540 white soldiers wounded in combat in Angola.

A study made at Rhodes University in Grahamstown, RSA, revealed that the number of white young people leaving the country is increasing steadily, and stressed that 52 percent of those who try to emigrate do so to avoid being conscripted. The same study added that in 1987, 404 SADF members tried to commit suicide, 24 of them having succeeded.

Military Newspaper Identifies Missile Captured in Angola

34000639a Johannesburg THE CITIZEN in English
10 May 88 p 17

[Article by Tony Stirling]

[Text] One of the sophisticated Russian weapons captured by South Africa from Cuban forces during recent fighting in Angola is the SA 14/16 man-portable anti-aircraft missile, the Soviet equivalent of the American "stinger" missile.

This was revealed in Gerbera, the official newspaper of the Northern Transvaal Command.

At a recent briefing in Pretoria, General Jannie Geldenhuys, Chief of the SA Defence Force, said that a number of weapons featuring technology unknown to the West had been captured and there had been considerable interest expressed in these weapons.

He did not reveal what type of weapons had been captured, but Gerbera quotes Mr Christopher Foss, Editor of the authoritative Jane's Armour and Artillery, as saying that the SA 14/16 was one of them.

Its American counterpart, the "stinger", has been used to great effect by Unita in countering attacks by Soviet aircraft during the recent Fapla offensive against it.

Mr Foss is quoted as saying the capture of the missile, one of the latest generation Soviet missiles, was a "big prize".

Another captured weapon mentioned is the SA 8 low-level air defence system, which, according to Mr Foss, has only previously been captured in Chad.

/9274

Admiral Bekker Comments on Expenditure in War; Denies Billing UNITA

34000633 Johannesburg *THE STAR* in English
13 May 88 p 11

[Text] The claim that the South African Defence Force was billing UNITA leader Dr Jonas Savimbi for assistance rendered in the Angolan conflict was "trash", Vice-Admiral Bert Bekker, the SADF's Chief of Staff (Finance) said on Wednesday.

"We are not charging him a cent; the claim is devoid of all truth," he told a finance briefing at the Castle in Cape Town.

As far as military personnel were concerned, Admiral Bekker said that up to the second half of February this year, South African forces in Angola had all been full-time members, in other words either Permanent Force or National Service.

It was only after February this year that Citizen Force members had also been deployed.

A marginal increase in costs had been experienced in that the full-time force members, who were permanently stationed in Namibia, had had to be deployed across the border.

Ammunition

The biggest expenditure item in the conflict was ammunition, but it had to be borne in mind that munitions had a limited rack life, after which they had to be dumped or destroyed.

Also, the munitions industry in South Africa had to maintain a minimum level of orders to exist.

Losses by the SADF of irreplaceable equipment, such as the Mirage that was shot down, were a book loss and would not be replaced immediately.

Admiral Bekker said the effect of the Angolan conflict on the current and future Namibian security situation and expenditure for South Africa had also to be taken into account.

"What I'm saying is that a stitch in time saves nine.

"If we had not become involved in Angola, the future defence expenditure (for Namibia) would have been much higher."—Sapa.

07310

SADF Officers Prohibited From Addressing Political Meetings

34000639b Johannesburg *THE CITIZEN* in English
10 May 88 p 5

[Text] Cape Town—The Minister of Defence, Gen Magnus Malan, has given an assurance that South African Defence Force officers would not be permitted to address political meetings again, the opposition's Chief spokesman on Defence, Mr Koos van der Merwe, said in a statement in Cape Town yesterday.

He issued the statement after he and members of the Conservative Party's defence study group met Gen Malan yesterday.

The group also discussed the SADF's presence in Angola and the settlement talks between the U.S., Cuba, Angola and South Africa.

"The CP believes that the SADF's current presence in Angola is to South Africa's benefit," Mr Van der Merwe said.

The CP recently queried—in the House of Assembly—an occasion when an SADF major addressed a National Party youth meeting at Piketberg.

/9274

ECONOMIC

U.S. Drug Firms Disinvests

34000631b Johannesburg *BUSINESS DAY* in English
11 May 88 p 1

[Article by Liz Rouse]

[Text] Adcock-Ingram, part of the Barlow Rand Group, has bought Sterling Drug (SA) from Sterling Drug Inc, USA, for R52,5m cash.

The disinvestment follows the purchase of Sterling's parent by American-based Kodak—which pulled out of SA last year.

Sterling's New York office said last month the company would be out of SA by August.

Tiger Oats subsidiary Adcock succeeded in acquiring Sterling ahead of Federale's SA Druggists and Premier's Twin Pharmaceuticals.

Whereas Kodak ruled that none of its products would be available in SA after disinvestment, Adcock has secured the right to market Sterling's main brands, including Panado, Compral and Sterns Pine Tar.

Adcock CE Don Bodley said yesterday Durban-based Sterling would be operated as a stand-alone subsidiary. The business, under present management, will run at its usual capacity and there will be no loss of jobs.

Sterling employs 300 people at a modernized plant in Mobeni, Durban.

However, when the deal—which is effective from April 30, 1988—has the necessary approval, the name will be changed.

The acquisition complements Adcock's range of products.

A Sterling Drug Inc USA spokesman said the company felt assured Adcock was an appropriate, well-qualified successor to the long-established enterprise in SA.

Sterling came on to the market at the right time for the Tiger Oats group. Tiger Oats chairman Robbie Williams said in his last annual report that cash was being used judiciously when opportunities occurred either to build or acquire at fair value, assets which fitted into the group's long-term strategy for the development of its portfolio of food, fishing and pharmaceutical businesses.

Williams said yesterday the Sterling acquisition was part of this planned programme and its products were complementary to Adcock's activities.

Adcock will raise the necessary funds by way of a rights issue of about 500,000 ordinary shares (market price is R105).

Had the acquisition been effective in the year to September 1987, Adcock's earnings, assuming the issue of 500,000 additional shares, would have increased by 4% to 837c a share from 802c a share. Net asset value would have been reduced by about 9% to R36,05 from R39,60.

07310

Government Accused of Encouraging Sanctions Imposition

34000634a Johannesburg *FINANCIAL MAIL* in English 13 May 88, pp 30, 32, 34

[Text] Most businessmen, faced with the threat of sanctions, summon up their ingenuity and find new ways of doing business. With the country facing further sanctions, though, they have a right to expect more substance from a fatalistic government hell-bent on economic immolation.

One of the very worrying aspects of sanctions is that their reality and prospect appear to be summoning up a host of bitter-einder attitudes: a "do your damndest" state of

mind. We have become sadly familiar with that sort of misguided isolationist thinking. Like it or not, this country is a part of the West and has to remain so to be even modestly prosperous.

Instead, all sort of economic folly is being paraded around, from those who threaten "counter-sanctions" (withholding gold, for example, from world markets—as if we could then eat it), to those who are so fond of cultivating the chips on their shoulders that they cannot even understand why sanctions were imposed upon us in the first place.

The rationale of sanctions is to get government to abandon apartheid and to clean up the face it presents to the world, which places it below Cuba, for example, in the human rights league. While censorship causes SA to recede from the front pages of the world—for a while—it takes only some new folly from Pretoria to put it back into the public eye. The latest sanctions package—against the evidence that such measures do not work and are, in fact, counter-productive—is a case in point. It is nasty and pointless and government appears to be clasp- ing it with glee to its bosom. Something is wrong there.

In 1986, the US Congress passed the far-reaching Comprehensive Anti-Apartheid Act (CAAA). Now Congress is considering a Bill which would amend the CAAA to make it considerably more harsh and punitive. The Bill, already approved by the House Foreign Affairs Committee, would seek to bar the holding or making of any US investment in SA and imposes a near total trade embargo.

The Bill would also require the American president to impose at least one of a set of penalties on "foreign persons" who take "significant commercial advantage" of American sanctions or of the comparable sanctions of another industrialized nation. The penalties comprise a limit on imports into the US by the foreign person and a bar on being able to contract with the American government and its agencies. Although informed opinion has it that the chances of this Bill reaching the Senate in this form are negligible and that it might well be found unconstitutional, this is no reason for complacency.

The tide in favor of sanctions is so strong that there certainly will be many more efforts to reduce economic ties with SA, in the US and elsewhere—if not this year, then next.

In this state of near siege, it has to be remembered that the world's attitudes to SA are not writ in stone. What is called for is an effective government strategy to counter sanctions and channel world opinion in more constructive directions. This requires subtlety. As British Ambassador Robin Renwick has noted: "The argument for sanctions is not born of stupidity or malevolence, or simply a desire to do damage to SA, but of frustration."

It is worth repeating here why the policy of sanctions is becoming increasingly discredited. Firstly, even if it were believed that causing sufficient economic pain to SA would bring forth the desired political reforms, a policy which liberated people into an economic desert would still be morally dubious. It was, after all, Allan Boesak—of all people—who said last year that he would not support a “long drawn-out disinvestment that goes on over five, six, seven years and in the end leaves us with an economy that is a wasteland.”

Secondly, the causal link, upon which any advocacy of sanctions must rest—that risking economic pain will lead to political reforms—remains entirely unproven. There is compelling evidence to the contrary.

Of course, the economic effects of sanctions can be very serious (a brief glance at the volume of trade conducted with out major partners will make this clear). And there is yet another reason for opposing sanctions; no person of goodwill who is familiar with our population growth rate could support a policy which impedes economic growth. According to a recent report, South African GDP has grown by only 4.6% over the last five years, while the population has grown by 13% over the same period. JCI economist Ronny Bethlehem has estimated that low-intensity sanctions would lead to an extra 2m being unemployed by the year 2000. Without sanctions, the African share of total income would continue to rise from the 1985 level of 29% to 36% by 2000. With sanctions, the share would fall to under 20%.

Finally, many would agree that the increasing economic empowerment of black people is the most important development going on in the country now. As black consumer power grows, it will become increasingly difficult and costly to ignore political demands. To impede this process makes no sense for opponents of apartheid.

The entire sanctions campaign, in fact, rests upon what Paul Johnson has described as the “political fallacy—the assumption that all economic and social problems are susceptible to political solution.” The African experience has shown that Kwame Nkrumah had things the wrong way round when he said “the local and economic development of Africa will come only within the political kingdom....” The South East Asian experience suggests that those who attend first to economics stand a better chance of later getting their politics right.

Our own government has for long been a victim of the “political fallacy.” But recent encouraging signs of a change of mind makes its behavior over sanctions especially foolhardy. How else does one explain Pik Botha's comments this week, when he said most South Africans would not be prepared to accept “misery and chaos” to avoid further sanctions: “What respect must we have for the moral motivation of UN members like the US and

Canada, when they have had decades to rectify the deplorable situations of their own black and Indian populations....” Such bravado is breathtakingly misplaced.

Anglo American's Michael Spicer, speaking at the FM's Computer Mail conference, highlighted the disconcerting confusion in government policy: “We can't actually have economic reform, put political reform on the backburner and then insult the world, particularly the US, and call for mandatory economic sanctions. The three simply don't fit together.”

The contradictory signals emanating from government are not beyond explanation. In part they are an indication of the power struggle between diplomats and “securocrats” to control foreign policy. But, as Les Manley's notorious “do your damndest” comment reveals, the country's rulers feel frustration at receiving so little credit for attempting to reform in a very difficult domestic context.

Merle Lipton, in her influential study of sanctions for The Economist Intelligence Unit, notes: “If the theory that people will respond to sanctions that raise the cost of apartheid is valid, they presumably do so on the assumption that their response will secure a reprieve from the penalty or sanction. If the penalty is hardly rational for them to respond. Instead the ratcheting up of sanctions—regardless of the response—is likely to provoke resentment and confusion.”

Whatever the explanations, the national interest deserves a more constructive approach; so what must we do to avert sanctions? In suggesting an anti-sanctions policy, certain operative constraints must be recognized. Most importantly, even if one succeeds in presenting an iron-clad case against sanctions, that will not be enough to head them all off. In America, most legislators are well aware of the threadbare case for sanctions—yet continue to vote for them. Why?

Party because sanctions have come to be seen as the ultimate moral litmus test of our time and partly because of domestic political considerations, which mean that legislators dare not be seen to be siding with SA. And also, the efficacy of sanctions has ceased, for many, to be the priority. Thus Indiana Senator Richard Lugar's comment: “The issue is the signal we send.” Behind that lies Malcolm Fraser and General Obasanjo's judgment: “Even if we knew that sanctions would not work... we would still be in favor of the West applying sanctions. The West would then be on the right, the just side of history.”

So while the core of an anti-sanctions policy would obviously be to show that they won't provoke a quick fix—and to legitimately spread this message throughout the world—this will not be enough. Some blocs of countries, particularly the Commonwealth and the Third World, will never be pleased. Their reactions to our

policies should not concern our rulers. Great care, however, should be taken to ensure that economic relations with the powerful OECD countries are not needlessly jeopardized. Also, that we do not give our critics unnecessary ammunition.

PFP leader Colin Eglin notes that "Western democracies are very sensitive to infringements of civil liberties such as free speech, freedom of the press and habeas corpus. When a denial of these things is associated with a denial of fundamental political rights, it aggravates things." The current harassment of certain sections of the press; arresting internationally respected clergymen; and the glaring juxtaposition of the Sharpeville Six and Windhoek murder cases are a few examples of issues which really raise hackles overseas.

Government must also think a little harder about the costs which attach to some of its actions. It is, for example, widely held that very little was gained from banning the 17 UDF organizations on February 24, since many were probably on their last legs anyway. Yet, by this single act, the government managed to rejuvenate the flagging fortunes, on both sides of the Atlantic of the pro-sanctions lobby. No matter what the security establishment may recommend as desirable in the short term, there will never be long-term security while the country's economic growth is hampered by policies which positively invite retaliation in the form of sanctions.

It is essential that when government does try to make its case, its message has some credibility. This does not mean that complete agreement is essential. It does mean that the government's general course of conduct should be one which establishes, rather than undermines, its bona fides. Kurt von Schirnding—who, with Dennis Worrall, gave up the task of "defending" SA abroad because of the continued obduracy of Pretoria, and is now with the SA Foundation—notes: "We don't manage adequately to market ourselves because we adopt postures which are not helpful. SA must project far more effectively where we are hoping to go, what our goals are. This inability, for whatever reason, to spell out where we are going is why we can't get our point across to the kind of people who might be able to help us. You can't make a coherent and effective case unless you can show what it is you wish to achieve."

Here again government has a problem. Its officials are so thoroughly discredited that they are unlikely even to be granted a platform in most Western countries. Rather than pouring money into Piet Koornhof's beleaguered Washington embassy, then, the government should quietly set about helping to sustain those like Helen Suzman and the SA Foundation who do retain credibility in international capitals. Perhaps even more important, it should be sending over black leaders. Last year, Labor Party MP Chris April campaigned against sanctions and more recently James Ngcoya, president of the South African Bus and Taxi Association (Sabta) testified against sanctions before a congressional committee.

It is difficult for overseas audiences to counter a black voice speaking against sanctions—especially when that voice speaks on behalf of an organization like Sabta, which is doing much to assist the economic advancement of blacks here.

As Lipton observes: "A wrong diagnosis of the role of external pressures, based on a mistaken view of the internal dynamics of South African society is likely to lead to the wrong policy prescription and to the misguided belief that a button pressed on Capitol Hill will automatically lead to the required response in SA...."

SA has suffered at the hands of opponents who oversimplify its problems. Our rulers, however, are sometimes guilty of the same offence—showing little subtlety in the substance of foreign policy and too much Hooray Henry in its conduct.

Where, it might reasonably be asked, is the accurate diagnosis of the ebbs and flows of international opinion? It is not necessary to abandon all one's critical faculties to realize that there is a real desire on the part of the Soviet Union to extricate itself from southern Africa. Given the very sober analysis of this country's future, which has also emerged of late from the Soviets, it is sheer folly to conduct policy as if nothing has changed—and the Evil Empire remains rampant in its Total Onslaught to be countered only by Total Strategy.

While it is obviously true that to arrest sanctions, SA should solve its internal political problems, few reasonable people abroad believe this to be easy, nor expect government's instant political conversion to one man, one vote. But if Pretoria is true to its pronouncements on the importance of enhancing the country's economic performance, it needs also to avoid a fatalistic view on sanctions.

Three things are necessary. One is that our few friends abroad be given reason to continue their support. That is at least as important to us as avoiding a Conservative Party majority in parliament. Only government can do that through the sensible application of domestic policy, particularly when security suggests to the frightened that this should be at the expense of civil liberties. And that takes courage.

Another is that economic policy be rethought. We need now a streamlined economy, highly responsive to the optimum allocation of resources by markets, so that every ounce of sustainable growth is squeezed out of it. Simply put, that means stamping out inflation and all forms of protection—especially tariffs—must go. There must be no artificial impediments to international competition.

The third is an enhanced diplomatic initiative, casting a net far wider than our string of embassies and consulates. The fact that last year SA lost two of its most effective

ambassadors (both because they felt betrayed by Pretoria) and now has a corps of inexperienced 40-year-olds plus Koornhof in our most important embassy is a sad indictment of our diplomatic initiative.

The fact is that the anti-sanctions campaign is being conducted almost exclusively by the PFP and SA Foundation—the liberals and the businessmen. Government, with its smug fatalism, is doing its damndest to foster economic immolation. That attitude of mind, above all else, is what has to change.

07310

Sanctions Seen as Resulting in Doubling of Imports

34000634b Johannesburg *FINANCIAL MAIL* in English 6 May 88 pp 47-48

[Text] On the surface, the latest American trade report for the first full year of economic sanctions against SA would argue that the embargo is not working very well. But a closer look points up a suspicion that perhaps there are unintended consequences, not all to the good.

The U.S. Commerce Department reports that, despite a sluggish South African economy and a wildly swinging dollar-rand exchange rate, American exports to SA rose from \$1158,3m in 1986 to \$1281,2m in 1987. Imports from SA were sharply lower, as might be expected, down from a near record \$2476,2m in 1986 to \$1399,0m last year.

Thus, on the surface, SA managed a minuscule but praiseworthy trade surplus with America, and things could have been worse. Indeed, things may be worse already, for there are clear signals that buyers on both sides have been over-ordering important goods in the last 12 months. The implication is that importers on both sides of the Atlantic expect an eventual total embargo of supplies from one another, and are busy stockpiling inventories to see them through until alternative sources of supply can be arranged.

It is in the area of imports of strategic minerals from SA that the disparity in trade trends from last year and the year before is the most clearly seen. American users of South African hard metals have nearly double intakes, well beyond any increase in actual use for U.S. products.

According to the commerce data that tracked the decline in overall American purchases from SA, more than half of all U.S. trade orders of South African goods—a full \$727,8m worth—comes from imports of platinum group metals, a volume almost unchanged from 1986. The next largest import item, which accounts for more than 5.3% of imports, is ferrochrome which nearly doubled its import flow last year. Other products which have kept their market share or increased sales, despite the shrinkage of American demand, include ferromanganese and chromes, wood pulp and nickel.

South Africans, in turn, appear more interested in stockpiling high technology, motors and transport equipment—which may be harder to find elsewhere in the world if a total embargo is enacted by the U.S. Government later this year. Orders are less concentrated, as might be expected.

The largest purchase order from South African buyers was in the area of digital computer units, which accounted for 5.4% of all imports—a record \$69m order. Aeroplanes were the next highest item—71 of them against 13 in 1986—for \$38m. Mechanical shovels (\$50m), trucks, tractors and motor parts all scored impressive gains.

While the commerce survey of U.S.-SA trade took notice of the 1986 sanctions and the threat of new pressures, the agency's assessment of trade and investment prospects in SA was unusually upbeat. The official Reagan administration line is that "new South African economic initiatives" toward privatisation and development of black markets and entrepreneurship offer the U.S. investor and exporter attractive—and legally plausible—opportunities.

"In 1985 black consumer spending amounted to over \$7bn or roughly 55% of total consumer spending in SA. Over the long term, consumer spending among blacks is likely to continue to increase faster than that of whites.

"This trend has spurred increases in the housing industry and shopping center development. Some central business districts have been opened to all races, while a slow pruning of inhibiting commercial regulations has improved the prospects of success for new black entrepreneurs. Attractive opportunities exist in the black community for educational products and services, dry cleaning, shoe repair, industrial cleaning and security services.

"Franchising has made substantial progress in SA and offers excellent opportunities for entering the non-white market. Some interesting possibilities for American franchisers are auto parts and service, quick printing, hair-care products, cosmetics, employment, staff training, industrial catering and plant maintenance," the commerce assessment maintains.

Perhaps the best thing to be said about the 1987 trade figures is that they offer little comfort to the U.S. congressional anti-South African forces.

07310

Government Announces Measures To Curb Consumer Demand

34000631a Johannesburg *BUSINESS DAY* in English 5 May 88 pp 1, 2

[Article by Gerald Prosalendis and Harold Fridjhon]

[Text] The monetary and fiscal authorities yesterday imposed a package of measures to curb the availability of credit and restrain an economy in danger of overheating and threatened by balance of payments problems.

In a two-pronged effort, Finance Minister Barend du Plessis and Reserve Bank Governor Gerhard de Kock have aimed at slowing down rampant consumer demand without aborting the economic recovery.

Measures imposed by the Bank include:

—Raising the benchmark Bank rate by one percentage point to 11.5% as well as rediscount rates on liquid assets and thus endorsing a higher interest rate pattern. Banks will follow with a rise in prime rate to 15%;

—A less accommodative Bank policy than that of the past year. Banks would now only be able to borrow directly through the Bank's discount window and not be able to depend on repurchase agreements involving the pledge of non-liquid assets;

—Accommodation facilities from the Bank, such as repurchase agreements using non-liquid assets, would be curtailed by charging a rate of 16% overnight. This rate will increase progressively for banks making excessive use of this facility.

These restrictions will indirectly reduce the banks' ability to create credit which is fuelling consumer demand.

Measures announced by the Treasury include:

—Tightening installment credit;

—Bringing leasing transactions into the ambit of legislation governing credit extension;

—Phasing out the debtors allowance for general sales tax purposes;

—And raising motor vehicle valuations for the purposes of fringe benefits.

A third thrust to the less permissive policy appears to be the depreciation of the rand against the dollar which has accelerated in the past two days. Yesterday, the rand closed at R2,2013 compared with Tuesday's R2,1732 and Monday's R2,1642.

De Kock said real gross domestic expenditure increased by more than 10% in the first quarter of 1988, compared with the same period last year.

"While this upsurge in demand imparted further momentum to the upswing in real output and income, it is showed signs of exerting undue pressure on domestic resources and imports, at a time when exports were declining."

He said if not curbed timeously, the rise in spending might result in new demand inflation, balance of payments difficulties and downward pressure on the exchange rate of the rand.

07310

Soekor Announces Biggest Oil Strike of Southern Cape Coast

Discovery Made Six Weeks Ago

34000637 Johannesburg *THE CITIZEN* in English
9 May 88 p 3

[Article by Bert Van Hees]

[Text] Cape Town—Soekor has confirmed making its biggest oil strike off the Southern Cape coast.

If more strikes of a similar size are made, the combined results could make a dramatic impact on the South African economy, a Soekor spokesman said.

A statement from the Department of Energy Affairs is expected this week.

The Soekor spokesman was quick to add that an economic assessment of the oil strike was "very premature," and said a report in a Sunday newspaper that the oil was worth R100 million was pure speculation.

He said more drilling and other work would have to be done in the area before the economic worth could be assessed.

The spokesman added that the oil was discovered six weeks ago, and that since then the usual testing procedures had been carried out.

He said the gas production of the particular hole was very good, and that it produced more gas than the original strike on the Southern Cape Coast.

The most seven thousand barrels of oil and condensate produced by this most recent strike opened up interesting possibilities when assessed together with the previous strike of five thousand barrels, he said.

In [an] earlier statement Soekor said that even though these wells were not economically viable on their own, further discoveries raised the possibility of oil production by cheaper methods.

Production Estimated

34000637 Johannesburg *SUNDAY TIMES* in English
8 May 88 p 1

[Excerpts] South Africa's first payable oil strike has been made off the coast of Mossel Bay.

Initial tests show that the well could produce between 6,000 and 7,000 barrels of crude oil a day which would be worth about R100-million a year.

By international standards, this makes it a medium-grade, paying well.

Geologists believe they are close to making further payable strikes.

The recent find has been a closely-guarded secret, but already excitement is building up in Government circles.

Payable domestic oil production will make a dramatic impact on the South African economy and on the international sanctions drive.

Pure

The well is understood to be more than 100km from the gas wells that will support the fuel-from-gas project now under construction at Mossel Bay.

Combined with Sasol's existing oil-from-coal technology and the Moss gas oil-from-gas project, the discovery of recoverable crude in significant quantities could make South Africa independent of overseas supplies.

The Moss gas project will cost an estimated R5,200-million by the time it starts producing fuel in the early 1990s.

Off-shore oil exploration is undertaken by Soekor, which last year brought a fourth deep sea rig into the search, and has spent about R800-million so far.

Government Plays Down Potential

34000637 Durban *THE DAILY NEWS* in English
9 May 88 p 1

[Article by Bruce Cameron]

[Text] After initial euphoria on a major oil strike Government spokesmen, including Minister of Economic Affairs, Mr Danie Steyn, were attempting to play down Soekor's new find off the Cape south coast.

The strike, South Africa's biggest, could earn the country R100 million a year and excited Soekor officials said last night they had a plan to bring it to the surface economically.

However, Mr Steyn said in an interview that initial reports that the oil find could produce between 6,000 and 7,000 barrels of crude oil a day were over-optimistic at this stage. Other sources, however, were saying that the find clearly had potential.

As far as Mr Steyn was concerned there was no firm indication of a "truly economic find of oil," and it was too early to say what the possibilities of the find would be. Many more tests were needed before it could be specifically stated what the significance of the find was.

The strike was made about six weeks ago less than 100 kilometres from the gas wells that will support the Mossel Bay fuel from-gas-project.

But Soekor officials said last night this did not necessarily mean that the find was economically viable and any speculation was premature.

Industry sources said they were highly encouraged by the strike which took place at a well called EAV1. The strike consists of high quality crude oil which is layered over a substantial condensate and gas deposit.

More than 150 holes have been drilled by Soekor over the past 20 years at a cost of about R800 million.

Oil industry officials believe that if significant quantities of crude oil are discovered, South Africa may become self-sufficient if these are combined with Sasol's existing oil-from-coal technology and the Moss gas oil-from-gas project.

The Moss gas project will cost an estimated R5,200 million and is due to come into operation in the early 1990s.

In March last year, Soekor struck a deposit which it was estimated at the time could produce about 3,000 barrels a day.

/9274

Soekor Announces Latest Oil-Gas Borehole

34000630c Johannesburg *FINANCIAL MAIL* in English
13 May 88 p 84

[Text] Soekor has announced its best combined oil and gas strike yet. Its borehole E-AD1, about 120km south-southwest of Mossel Bay, has tested at 7,000 barrels of oil and condensate (including 3,800 barrels of "high-quality" crude) and 58 m3/ft gas per day.

The well was drilled 5,5 km north-west of the area's discovery well—C-AA1—which tested at 5,000 barrels of oil and 5 m3/ft gas per day in March 1987.

Gencor has a 20% interest in the latest borehole and both Gencor and Soekor consider the discoveries "very encouraging." However, they emphasize these flow-rates do not indicate available reserves as such. Further seismic studies, drilling, complex calculations and feasibility studies are essential before there can be any thought of economically viable oil production. This process can take years.

Soekor is currently drilling with the rig Actinia. A second rig, the Omega, will soon be moved to the area to look for further oil resources. If additional reservoirs are discovered, Soekor hopes they could be "collectively produced," possibly by using a floating production platform. Another possibility, it seems, is that oil could be taken ashore by small tankers.

Soekor has also announced its first oil find off the west coast—at 200 barrels per day in Borehole A-J1, 26 km south-south-west of Hondeklip Bay. Although this production rate is considered uneconomic, it indicates, says Soekor, that possible economic oil discoveries could be made off the west coast—where Soekor has, until now, encountered only dry gas.

Without wanting to sound premature, Soekor suggests that if more substantial strikes—like the latest off the south coast—are made, they could collectively make a dramatic impact on the South African economy.

07310

Chamber of Mines Explains Drop in Gold Production

34000621c Johannesburg *THE STAR* in English
10 May 88 p 20

[Text] Gold production in South Africa fell by 33 tons in 1987—mainly as a result of the National Union of Mineworkers strike last year says the Chamber of Mines.

In its latest newsletter the Chamber states that production fell by 5.2 percent to 605 tons compared with 638 tons in 1986.

The Chamber states: "That the industry did not continue to expand—in terms of ore throughput that has characterised it over the past 11 years—was due primarily to the effects of the strike instigated by the National Union of Mineworkers in August 1987.

"Some, but by no means all of the gold mines, members of the Chamber, were affected while others maintained full production."

The Chamber added: "Aside from the unchanged tonnage of ore milled, the principle reason for the declining output was the fall in the average grade mined, down to 5.28 grams per ton (g/t) in 1987 compared with 5.63 g/t milled in 1986—a fall of 6.2 percent almost exactly matching the fall in gold output.

Grade Down

"This reduction in grade milled reflects the greater amount of surface tonnage at the lower grades milled to make up the shortfall caused by the strike as well as the tendency to reduce grades following the improvement in the rand gold price in 1987 to R904 per ounce."

The Chamber also says that the rate of increase in working costs of 19.6 percent was well above that of the rate of inflation which is a cause of concern for the industry.

In spite of an increase in the rand price of gold of 8 percent, profits fell by 14.65 percent because of the 25 percent increase in working costs per kilogram of gold produced.

Total profit, states the Chamber declined by 14.6 percent because of the 25 percent increase in working costs per kilogram of gold produced.

Total profit, states the Chamber, declined by 14.6 percent and dividends were trimmed by 9.6 percent while the state's share of profits and taxation fell by 20.5 percent on the 1986 figure.

/12232

New Ferrochrome Smelting Plants Planned

34000630b Johannesburg *FINANCIAL MAIL* in English
13 May 88 p 104

[Article by Brendan Ryan]

[Text] Booming conditions on world ferrochrome markets have encouraged another two South African companies to plan new ferrochrome smelting plants. One intends taking its project to the JSE to raise the necessary funds. The companies are Marikana Minerals and Purity Minerals. They follow John Vorster's ChromeCorp Technology, which last year decided to go ahead with a 120,000 t/y ferrochrome smelter at Rustenburg for about R50m (FM November 27).

Marikana Minerals intends coming to the market, but its directors are saying very little before all the details are finalized. Marikana director James Hamilton will only confirm that the company intends setting up a ferrochrome plant and it plans a listing. My information is that Marikana has taken a site for its smelter across the road from ChromeCorp Technology's smelter in Rustenburg and that the proposed size of the operation is 140,000 t/y of ferrochrome. Chrome ore for the smelter will come from a large deposit of high-grade LG6 reef near Kroondal.

Purity Minerals would be a much smaller operation if it comes off. Director Roger Ballen says he plans to set up a smelter to produce about 20,000 t/y of ferrochrome at a cost of around R12m. He says he controls a chrome ore deposit near Rustenburg and is looking for a partner to establish a joint venture. It would make most sense for an overseas partner to join him, he says, given the currency factor which favors foreign investment through the financial rand.

In addition to these newcomers, the major present producers—Middelburg Steel and Alloys (MSA), Samancor and Consolidated Metallurgical Industries—are considering expansions. Decisions were due from all three groups by end-march. In every case, it appears that they have been delayed.

The reason for the activity is the booming ferrochrome market, which has taken off thanks to continued high growth of the stainless steel industry. Stainless steel, which has maintained a steady annual growth of 3%, is continually taking market share from traditional carbon steels. New uses and applications are being found for the metal.

South African producers, which already dominate world supply of ferrochrome, have been offered a further opportunity to expand market penetration at the expense of Japanese and western European producers. These producers have been severely hit by the Metal Bulletin. Japanese production of ferrochrome has dropped from some 360,000 t/y two years ago to 220,000 t/y currently.

MSA chairman John Hall estimated in November that South African ferrochrome producers had an opportunity, over the next five years, to increase market penetration by some 300,000 t/y.

A problem is that while consumption of ferrochrome rises on a curve, capacity expansions to meet that demand goes up in steps. Thus, supply can temporarily outstrip demand, causing price weakness. One industry executive tells me that, on his calculations, if all planned expansions to South African ferrochrome capacity are brought on stream, total output will increase by 500,000 t/y compared with Hall's estimate of 300,000 t/y in available markets. A number of other producers abroad are also expanding capacity.

Still, the South African producers believe they have a competitive cost advantage over other world producers and are best placed to ride out any market setbacks.

07310

Mining Groups Assess Titanium-Bearing Mineral Sand Deposits

34000630a Johannesburg *FINANCIAL MAIL* in English 13 May 88 p 102

[Article by Brendan Ryan]

[Text] Titanium-bearing heavy mineral sand deposits are being assessed for possible development by two independent mining groups, Les Holmes' Rhombus Mining and Steen and Franka Severin's Sevcorp. The Severins have a 25 Mt sand deposit near the town of Mtunzini on the Natal North Coast. Rhombus Mining has a prospecting lease over three separate deposits containing a total of 250 Mt of sands, all situated some 20 km north of the Kei River mouth in Transkei.

At present only one company in SA, Richards Bay Minerals—of which Gencor owns 50%—is mining heavy mineral sand deposits to produce ilmenite, rutile and zircon. These are all titanium minerals.

Franka Severin tells me that while the group's heavy mineral sand project looks promising, a decision has not been taken on whether it will go ahead. She says the group is re-assessing which of the various mineral deposits it controls should be allocated the highest priority for development. The deposit contains some 10% of heavy minerals including ilmenite, zircon, rutile, monazite and magnetite, which would be waste product. A feasibility study is under way and the Council for Mineral Technology (Mintek) is assessing qualities of the minerals to be produced from the deposit. Should it go ahead, mining would be at a rate of about 1.5 Mt of sand a year.

Holmes says he has been looking at Transkei's deposit for the past two years. He intends applying to Transkei's government for a mining lease in June/July this year. A final feasibility study is near completion, tenders for the supply of major plant—such as the dredger and gravity concentrator—have been called for, and Holmes says he is looking for bridging finance to get the project moving. Finance will be raised through Rhombus Mining. Longer term, consideration will be given to listing the heavy minerals mine.

The Severins deposit is in sand dunes some 100 m above sea level, so the mining operation would consist of removing the sand with front-end loaders. Transkei's deposits are near sea level and Holmes intends following the mining method used by Richards Bay Minerals, which is to create a pond and float a dredger in it to suck up the sands.

He estimates throughput at 7 Mt of sand a year, and says the deposits contain an average of 6% economic heavy minerals, of which 5% is ilmenite, 0.4% rutile and 0.6% zircon. Annual production would be 300,000 t of ilmenite, 25,000 t of rutile and 30,000 t of zircon. Forecast capital expenditure, in 1988 money, is R60m to produce the minerals in concentrate form; Holmes estimates he would need another R10m in working capital to get the operation running. At this stage, Holmes has no plans to build a smelter to produce titanium slag, as is done by Richards Bay Minerals, because of the complex metallurgy involved.

He estimates revenues at R9/t of sand mined and working costs of R5/t, allowing for transport and rehabilitation costs. He foresees no problems in selling the mine's production.

Holmes says planning has taken full account of the need to rehabilitate mined-out deposit. The dredger will tackle the deposit in small stages, which will be rehabilitated immediately mining moves to the next state. The area to be mined is covered by extensive grasslands and dune forests.

The gravity concentrator will be on site to recover the 10% fraction of the sand mined which will contain the heavy minerals. The setting of the magnetic separation plant, which extracts the various minerals, has not yet

been decided. Options are at the mine or in East London. If it is sited in East London, Holmes wants to find a cheaper transport route than via road and rail. One option is an offshore loading facility at nearby Bowker Bay; another is an aerial ropeway to take the material to the Kei River mouth for loading out. Holmes says this is the one aspect of the venture that he is uncertain of because of likely sea conditions. "They don't call it the Wild Coast for nothing," he says. Any plans involving use of the Kei River mouth will be subject to environmental scrutiny because of the importance of river estuaries.

He adds that his Rhombus group is looking at other diversification projects and has already taken over an industrial company, Gasmco, which produces mine safety equipment such as an explosive gas detector which fits on to a standard miner's lamp. Holme's long-term aim is to list Rhombus Mining, his holding company.

07310

Importation of Car Components Seen as Foreign Exchange Loss

34000652^h Johannesburg *THE STAR* in English
10 May 88 p 20

[Text] This year South Africa will pay R1,5 billion for imported components for cars and lost up to another R3 billion in foreign exchange expenditure by the motor industry, says Mr Chris Murray, managing director, Pilkington Shatterprufe Safety Glass.

He has called on the government to "get its act together."

"The government's overriding need must be to conserve foreign exchange and strengthen the balance of payments.

"It is high time the Board of Trade & Industry took a leaf out of Japan's book by encouraging component suppliers and original equipment manufacturers to cooperate in the interests of a stronger, more viable industry—and the long-suffering motorist who, yet again, faces a hike in car prices."

The glass company directs 70 percent of its activities towards the motor industry.

The higher price would be more acceptable if it meant added employment opportunities, greater economic growth and a stronger technology base. It was time, he said, that local content regulations favoured low mass/high value products. This would be achieved when the "forex formula" eventually saw the light of day.

For too long weight has been used as a basis for local content control. The slogan "66 by 76"—meaning 66 percent local content by 1976—had been around for 15

years. Even although 66 percent of the weight of a vehicle was local content, it accounted for only 40 percent of its value. The other 60 percent had to be imported.

He said that while being aware of the need to take cognisance of those with big investments in heavy component manufacture, hi-tech/low mass production must be encouraged or the industry would never really be viable.

Besides completely knocked-down kits, a great deal of foreign exchange was spent on capital equipment, tooling, licences and spares, which were not affected by the mass system, as well as on essential imports by component suppliers.

These vital areas have not been adequately addressed by the government, he said, and vehicle manufacturers and components suppliers could not be expected to plan ahead without a firm, long-term local content programme.

/12232

Bophuthatswana Budget Figures

340006521a Johannesburg *THE STAR* in English
2 May 88 p 4

[Text] Mmabatho—Bophuthatswana will budget for a deficit of R557 million for the financial year 1988-89 when the minister of finance, Mr Leslie Young, presents his budget proposals tomorrow.

The deficit will be met partially by R403 million in budgetary aid from South Africa and other loans.

Expenditure will total R1,745 million and income from own sources, R1,188 million.

Defence expenditure will be increased by R3 million to R50 million.

The largest increase will be on agriculture, from R65 million to R119 million.

/12232

SOCIAL

Defense Minister Refutes Speculation on New East Rand Black Township

34000638b Johannesburg *THE CITIZEN* in English
9 May 88 pp 1, 2

[Article by Brian Stuart]

[Text] Renewed speculation about the creation of a huge new black residential area north east of Kempton Park was refuted last night by General Magnus Malan, Minister of Defense.

Approached for comment in his capacity as chairman of the North Rand region of the National Party, Gen Malan said such speculation was "presumptuous".

The government had not yet taken a decision on the identification of land for black urban development in the area.

Referring to reports of possible development near Bapsfontein, Gen Malan said he was opposed in principle to such development because it would restrict the future development of Kempton Park and the East Rand.

He appreciated there was a shortage of land for black urban development, but it was logical that such new development should adjoin existing black townships.

This would cause the least disruption in relation to the infrastructure and would be more cost effective.

However, this development could not be of the extent as proposed, for example, in the original plans for Norweto.

Gen Malan said it was his intention to obtain clarity about planned urban development for blacks on the East Rand before the Municipal elections in October.

"The National Party approaches development of areas for black townships with great responsibility," he said.

Several NP members of Parliament, were, for example, involved in activities to upgrade the living standards of blacks in Tembisa.

"The public can be assured that the NP will take care of their interests. I ask people not to be misled by political rumourmongering and speculations."

/9274

Growth of Anti-Semitism Alarms Jews

34000638a Durban THE DAILY NEWS in English
5 May 88 p 5

[Text] A classic trend towards blatant anti-Semitism could be developing in South Africa says Mr Gerald Leissner, chairman of the South African Jewish Board of Deputies.

In a guest editorial in the Zionist Record, Mr Leissner said that if the recent pig heads incidents in Durban were to be considered as an isolated anti-Semitic manifestation, it could be placed in the category of a "sick" and "cheap" way to gain publicity for the perpetrator.

But it must be seen as part of a complicated series of events over the past two years and should also be viewed against the broader South African situation.

(On the evening of the 99th anniversary of Adolf Hitler's birth and the 40th anniversary of the State of Israel, severed pig heads were placed on the steps of the Great Synagogue in Durban and the Durban Jewish Club).

Mr Leissner said Jewish diaspora communities flourished in stable democratic environments. But there had been a steady erosion of the democratic process within South Africa "and I fear that our community, in line with the bulk of the white groups, have ignored this process."

He said: "There is a sense of instability and some of the excesses which we Jews fear have become realities. We always knew there were small fringe groups of pro-Nazi sympathisers...but the circumstances surrounding the 'Hess commemoration' last year unsettled us.

"The Jewish community never wanted to become involved in the struggle for the 'political soul' of the Afrikaner, but when the leader of the AWB says Jews will not enjoy basic rights in his 'Boerestaat', we could see ourselves becoming an unwilling participant in the struggle.

"When the AWB (Afrikaner Weerstandsbeweging) participated in the Hess affair and when we read what it and the Transvaal-based HBB and the Cape Town-based Cape Rebel have to say about Jews we must be concerned that a classic trend towards blatant anti-Semitism could be developing."

The Jewish community appreciated the recent statement by the State President and the Ministers condemning anti-Semitism.

/9274

Zaire Border Arms Racket Reported

34000628a Kampala NEW VISION in English
27 Apr 88 p 1

[Article by Dawin Dawa]

[Text] A racket of arms sales to Zaire on black market, which is also linked to the rampant armed robbery of vehicles in Arua, has been unearthed by the NRA here.

The racket involves some NRA soldiers, NRA deserters, fake businessmen in Arua and even a student. The mastermind and chief buyer in Zaire has also been exposed.

This followed a recent theft of a BAT Mercedes Benz lorry in Arua, which was commandeered to Zaire but has since been arrested and impounded in Zaire.

The lorry was stolen on Arua-Koboko road by gunmen when it had gone to collect woodfuel for tobacco farmers.

Two native civilians, Charles Asega and Richard Asua and an NRA deserter from 5th Battalion Pakwach, Robert Mugisha (alias Dubai) from Isingiro county Mbarara district, have been arrested in connection with the lorry theft.

Investigations have revealed that they were on the payroll of a certain Zairean businessmen called Mzee and have been stealing vehicles and selling guns in Arua for sometime. The guns are reportedly hidden at the border.

Another NRA soldier Pte. Kato has, according to reports, been arrested in Zaire in the stolen BAT lorry which was arrested.

The 14th Battalion NRA currently in Arua mounted a crackdown on this ring and arrested two of the gang of four who stole the BAT lorry including those who escaped arrest in Zaire.

It has been established that this group was planning to steal a green Land Rover, a white Land Rover and the Benz lorry in phases.

Two other NRA soldiers, a Kilikili who is said to be self-exiled and based at Ngbokolo in Zaire, and Adrean, are reported to be dealers in NRA guns in Zaire, with Arua-based Richard Asua and Robert Mugisha (Dubai) as the sources of the guns from Uganda.

According to military sources in Arua many guns may have already been sold in Zaire by this gang before they were finally disorganized. The exact figure has not yet been established and investigations are going on.

It has also been revealed that a fake businessman in Arua called Ismail living near Arua Primary School bought one SMG gun from Abasi Akuma, a hardcore and experienced gundealer in Arua living both in Uganda and Zaire, and having a Zairean registered Land Rover.

He has allegedly used people like John Asua of Manibe, Ereku village to look for market for guns before. John Asua himself lived in Zaire since 1980 and returned to Uganda when NRA entered Arua.

It is claimed that Abasi Akuma sold a gun to Ismail for 140,000 through John Asua and Roy Ronald Iduro (alias Kana), a former student of Vurra Secondary School. The two shared 100,000 in cash and the balance was to be paid later. Both of them are now in NRA custody in Arua to assist investigations.

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Barter Deal With Italian Company for Hotels

34000628a Kampala NEW VISION in English
11 Apr 88 p 12

[Article by Mike Buteera]

[Text] Arrangements by a Kampala based company, Agrolinks, with three Italian construction firms to build four star hotels in the country on barter trade arrangements have been welcomed by the government.

This was disclosed by the minister of commerce, Prof George Kanyeihamba.

According to an agreement reached in January this year between Agrolinks and the three Italian firms namely Viginter, Torno, and Intercity, the barter hotels will cost 120 million U.S. dollars.

The agreement states that Agrolinks will in turn export maize, tea, simsim, groundnuts, soyabeans and others except coffee to the Italian firms.

The Italians will build the hotels in a period of 4 years and will ask for the payments after another 2 year period of grace.

The first hotel is scheduled to take off in June this year in Masaka town and the rest will follow in Fort Portal, Jinja and Kampala.

In order to realise full and quick production of the needed produce the Italians have promised to bring in the country agricultural implements needed for the crop production.

They will also bring in the country a number of trucks and trailers needed in transporting the barter produce to Mombasa for shipment to Italy.

Prof Kanyeihamba said government would monitor the whole transaction between Agrolinks and the Italians.

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New Ground Surveillance Radar Acquired
45190117 Paris AFRIQUE DEFENSE in French
May 88 p 30

[Text] Authorities have just acquired a new ground surveillance radar of the French-type Rasit LMT Professional Radio. It can detect, localize and pursue all moving targets up to 40 km. In addition, it enables the acquisition of intelligence and points out targets for artillery and the air force.

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